

SCRep. 677-76      Judiciary and Labor and Public Employment on S.B. No. 2107-76

The purpose of this Act is to increase the number of law clerks for the chief justice, and each justice of the Supreme Court.

Your Committees find that increasing the workload, and the increasing complexity of the law requires the addition of law clerks to adequately meet the demands of the matters before the Supreme Court.

Your Committees on Judiciary and Labor and Public Employment are in accord with the intent and purpose of S.B. No. 2107-76, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Naito, Carroll and Santos.

SCRep. 678-76      Health and Labor and Public Employment on S.B. No. 2320-76

The purpose of this bill is to raise the level of the government's contribution to the Public Employees Health Fund by \$1 -- from \$5 to \$6 for individual employee beneficiaries and from \$15 to \$16 for employee-beneficiaries with dependent-beneficiaries, and to increase the contribution of the dental plan premium from \$2.57 and \$3.26.

Your Committees find that at the present time the employees share of medical plan premium cost has risen significantly because of the concurrent increase in health care costs and to the present statutes which requires employees to pay the burden of all medical premium cost increases in excess of the government's contribution.

Your Committees also find that when the Health Fund Law was established by the Legislature in 1961, the level of governmental contributions was set at almost 50% of the total Medical Plan premium and that in 1970, the Legislature again adjusted the contribution ratio to reflect a similar cost sharing ratio. It now appears that an improved percentage method of funding such contribution is warranted to maintain the approximate 50% cost-sharing level originally intended by prior Legislatures as opposed to the existing fixed dollar method of contribution.

Thus, your Committees have amended this bill as follows:

- (1) Section 1 has been rewritten to reflect:
  - (a) That the governmental unit shall contribute up to 50% of the total medical plan premium, or the equivalent in dollar amounts; which must be paid to the Health Fund by state and county governments for their respective employee-beneficiaries;
  - (b) A provision that if both husband and wife are employee-beneficiaries, the monthly contribution would be that amount that would be made only if one of them were an employee-beneficiary.
- (2) Section 2 relating to contributions by an employee-beneficiary was found to be inadequate. Your Committees have amended the sum to be expended by the Department of Budget and Finance to \$4,243,400.

Your Committees on Health and Labor and Public Employment are in accord with the intent and purpose of S.B. No. 2320-76, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2320-76, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Machida, Mizuguchi, Naito, Yamada, Amaral and Santos.

SCRep. 679-76      Energy and Transportation on H.R. No. 214

The purpose of this Resolution is to request the City and County of Honolulu to make a feasibility study of a bus line along Kunia Road to service the residents between Wahiawa and Waipahu.

Your Committee heard favorable testimony from the Department of Transportation Services and the City and County of Honolulu on the merits of a feasibility study.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 214 and recommends its adoption.

Signed by all members of the Committee except Representative Clarke.

SCRep. 680-76      Energy and Transportation on H.R. No. 328

The purpose of this resolution is to request the City and County of Honolulu to purchase and use special hill climber buses for the Waialae Iki and Waialae Nui Ridge areas.

Your Committee heard testimony from the City Department of Transportation services favoring the principle of this resolution. The City is planning a survey in these areas to determine whether sufficient patronage would be generated to justify these new routes.

Your Committee received testimony from J.P. O'Connell describing the need for bus services by residents along the Waialae Ridgeline and documenting the efforts of the Waialae Ridgeline Estates Community Association to obtain such services.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. 328 and recommends its adoption.

Signed by all members of the Committee except Representative Clarke.

SCRep. 681-76      Water, Land Use, Development, and Hawaiian Homes on  
H.C.R. No. 39

The purpose of this Concurrent Resolution is to request the Director of the Department of Land and Natural Resources to consult with the officials of the County of Hawaii in the formulation of plans and to drill exploratory deep water wells on State lands at Lalamilo in the South Kohala district, island of Hawaii.

Water is a key to the orderly and planned growth of the South Kohala District. It is only with an adequate supply of water that the proper and planned mixture of residential, agricultural, commercial and resort activities can occur in that area. South Kohala's economic stability and diversity hinge on a variety of dependable sources of water insuring a year round supply.

At present, South Kohala's water needs depend largely on a variety of surface sources. Future plans for water resource development also appear to rely heavily on surface water. However, some recent success has been experienced in the development of deep water wells at Waikoloa serving coastal areas. Your Committee feels that the drilling of exploratory wells by the State in lands at Lalamilo will assist the citizens of South Kohala in defining the alternatives open to them.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.C.R. No. 39 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 682-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 299

The purpose of this Resolution is to request the Department of the Navy to transfer title of the beach known as Rainbow Beach, Pearl Harbor, Oahu, to the State of Hawaii.

In testimony presented before your Committee, Navy personnel have indicated that all Navy lands from McGrew Point to the old firefighting school site, except for the CINCPACFLT boathouse area, will be turned over by long-term lease for administration by the State. However, the State has yet to see a draft of such a lease and the accompanying conditions or limitations.

Of the approximately 19.1 acres of contiguous developable land proposed for Rainbow Bay Park, 10.8 acres is apparently being made available to the State by the Navy. The balance is already owned by the State in fee or is private land in the process of being acquired by the State.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.R. No. 299 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 683-76      Water, Land Use, Development, and Hawaiian Homes on  
H.C.R. No. 37

The purpose of this Concurrent Resolution is to request the Governor of Hawaii to designate and adopt the humpback whale as Hawaii's official marine mammal.

Your Committee feels that the adoption of the humpback whale as the State's official marine mammal will call attention to the plight of the whale and help prevent its slaughter and extinction. The humpback has been coming to our islands, voluntarily, long before the first Polynesian settlers. The humpbacks come to mate one year, with the females returning a year later to give birth in the State's warm and protected waters. The whales are Hawaiian by birth, even though they migrate yearly to the Arctic.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.C.R. No. 37 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 684-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 247

The purpose of this Resolution is to request the Governor of Hawaii to designate and adopt the humpback whale as Hawaii's official marine mammal.

Your Committee feels that the adoption of the humpback whale as the State's official marine mammal will call attention to the plight of the whale and help prevent its slaughter and extinction. The humpback has been coming to our islands, voluntarily, long before the first Polynesian settlers. The humpbacks come to mate one year, with the females returning a year later to give birth in the State's warm and protected waters. The whales are Hawaiian by birth, even though they migrate yearly to the Arctic.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.R. 247 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 685-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 270

The purpose of this Resolution is to request the Department of Land and Natural Resources to amend the rules and regulations adopted pursuant to Section 190-3, Hawaii Revised Statutes, to provide for (1) closing of selected areas of the shoreline of each island to opihi harvesting, or (2) to provide for the imposition of bag limits and size limits in order to aid in the preservation of Hawaii's opihi resources.

In testimony presented to your Committee, the Department of Land and Natural Resources discussed options such as closing of selected areas of shoreline, bag limits, the establishment of a minimum harvest size, seasonal closure, the prohibition of the sale of opihi and a moratorium. Your Committee concurs with the Department of Land and Natural Resources in that there is a need to regulate the taking of opihi due to overharvesting.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.R. No. 270 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 686-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 209

The purpose of this Resolution is to request the Governor to make available by executive order a portion of a State parcel on the corner of Kaahumanu Street and Komo Mai Drive to the City and County of Honolulu for a fire station site.

The United States Census Bureau projections indicate a continued high density development of the Waiiau-Newtown-Pearl Ridge area with continued expansion of population growth and supporting educational, commercial, residential, and recreational facilities.

Establishing a fire station in the mauka portion of the Waiiau-Newtown-Pearl Ridge region would provide effective fire fighting and protection services for the area, and in addition, provide cooperative support services to other fire fighting units.

Your Committee has amended the second WHEREAS clause for the purpose of clarity by deleting a repeated phrase, "and recreational".

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.R. No. 209, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 209, H.D. 1.

Signed by all members of the Committee except Representative Morioka.

SCRep. 687-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 216

The purpose of this Resolution is to request the Board of Land and Natural Resources to implement and enforce a hunter safety training program in the State.

A hunter safety training program was authorized under Act 62 of the 7th Legislature in 1974 with funding provision from State and Federal sources, and was to be implemented by the Director of Land and Natural Resources. As of this date, no firm action has been undertaken to implement this program.

Your Committee feels that the increase in the State's population and the number of licensed hunters engaging in the shooting sport reflects an urgency and importance of this program, both from a public safety standpoint as well as to take advantage of the \$25,000 available from the Federal Pittman-Robertson funds. The State will match the federal funding with \$38,000.

The Resolution has amended the submittal date of the progress report to 30 days prior to the convening of the Ninth Legislature, Regular Session, 1977.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.R. No. 216, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 216, H.D. 1.

Signed by all members of the Committee except Representative Morioka.

SCRep. 688-76      Finance on S.B. No. 243

The purpose of this bill is to eliminate the exemption from income tax extended to persons taking residence in the State after attaining the age of sixty-five years as to income derived from a source or sources out of the State.

Under present statutory provisions, a heavier tax burden is imposed upon longtime residents of the State by extending preferential treatment to newcomers. The language extending this preferential treatment is to be repealed by this bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 243, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar

for Third Reading.

Signed by all members of the Committee except Representative Amaral.

SCRep. 689-76 Finance on S.B. No. 2230-76

The purpose of this bill is to grant liquor tax exemption for five years to the local okolehao industry and local fruit wine industry.

The exemption to the okolehao industry is an extension of a present exemption for another five years. The exemption granted to the fruit wine industry is new. The intent is to stimulate these industries and help to place them on a firm financial foundation.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2230-76, 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 except Representative Amaral.

SCRep. 690-76 Finance on S.B. No. 2572-76

The purpose of this bill is to permit the counties to invest in bank repurchase agreements.

A repurchase agreement, or "Repo" as it is called, provides for the sale of short-term securities by the dealer to the investor by which the dealer agrees to repurchase the securities at a specified future date at a given yield specified at the time of contracting of the agreement. The length of the holding period is tailored to the needs of the investor. A repurchase agreement provides a great deal of flexibility in investment of excess funds.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2572-76, 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 except Representative Amaral.

SCRep. 691-76 Education on H.C.R. No. 49

The purpose of this Concurrent Resolution is to request the Governor of Hawaii to examine the modification of policies and practices governing the allotment of funds for operations of the public schools. It further requests the Board of Education to examine the allotment system within the Department of Education and to initiate corrective measures.

The present procedures call for a quarterly allotment system whereby unexpended or unencumbered funds automatically lapse at the end of the quarter. To get the money back, the school must go through a long bureaucratic procedure involving much paper work and many agencies, including the district office, the Department of Education Budget Office, the Department of Education Accounting Office, the Department of Budget and Finance and the Department of Accounting and General Services.

Under the provisions of Section 37-32, Hawaii Revised Statutes, the director of the Department of Budget and Finance is authorized, in cases where adherence to the quarterly allotment period is impracticable, to prescribe a different period suited to the circumstances, not exceeding six months or extending beyond the fiscal year.

Testimony revealed that any extension to the quarterly allotment system would provide the schools the flexibility needed to cope with unforeseen emergencies and other exigencies beyond the control of the school. For example, invoice prices change due to inflation or certain items are often no longer available or available during that quarter. In attempting to rush a reorder to prevent the lapsing of funds, the best decision in purchasing a replacement cannot be realized.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 49 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Amaral and Santos.

SCRep. 692-76 Education on H.R. No. 303

The purpose of this resolution is to request the Governor of Hawaii to examine the modification of policies and practices governing the allotment of funds for operations of the public schools. It further requests the Board of Education to examine the allotment system within the Department of Education and to initiate corrective measures.

The present procedures call for a quarterly allotment system whereby unexpended or unencumbered funds automatically lapse at the end of the quarter. To get the money back, the school must go through a long bureaucratic procedure involving much paper work and many agencies, including the district office, the Department of Education Budget Office, the Department of Education Accounting Office, the Department of Budget and Finance and the Department of Accounting and General Services.

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Your Committee on Education concurs with the intent and purpose of H.R. No. 303 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives  
Amaral and Santos.

SCRep. 693-76 Judiciary on S.B. No. 79

The purpose of this bill is to enact into law the Uniform Probate Code, with appropriate amendments, additions, and deletions.

The Uniform Probate Code passed the House in the Seventh State Legislature as H.B. No. 99, H.D. 1, but died in the Senate. Therefore, your Committee believes that the House is familiar with the objectives of the Uniform Probate Code and that it would be superfluous for this report to repeat those objectives. For those House members who may be interested in the history and rationale of the Uniform Probate Code, we refer them to Senate Standing Committee Report No. 582. Although this House is familiar with the Uniform Probate Code, the changes made by your Committee are so extensive that an overview of S.B. No. 79, S.D. 1, H.D. 1, seems advisable.

Article I sets out definitions and other provisions which apply generally throughout the bill. The only substantial amendments made by your Committee has been to increase the period within which suit may be brought against a person practicing a fraud from two years to six years and to specify that notices required in various proceedings under the bill be mailed by registered or certified mail, return receipt requested, rather than by ordinary mail.

Article II, Part I, deals with the disposition of property where the decedent had no will. Whereas S.D. 1 would have given the surviving spouse in this situation \$50,000 plus one-half of the balance of the estate, your Committee's draft gives the surviving spouse one-half. In addition, your Committee's draft retains provisions of present Hawaii law which favor blood relatives in the case of estates which have been passed down through the family. The rights of dower and curtesy which are designed to insure that a married person does not totally disinherit the surviving spouse will no longer arise after July 1, 1976, but have been replaced by the surviving spouse's right to claim an elective share of one-third of the decedent's probate estate. (Article II, Part 2.) It must be emphasized, however, that the changes in the law regarding intestacy (descent of property where the decedent left no will) and dower and curtesy do not apply to pre-July 1976 transactions. Thus, any vested right as an heir or spouse which a person has as of June 30, 1976 will continue to be governed by existing Hawaii statutory and case law.

Article II, Part 3, protects children and spouses who have been accidentally omitted

from a will by giving them the share of the estate to which they would have been entitled if the decedent had no will. This situation occurs most frequently where a decedent made a will, thereafter was married or had a child and then died without amending his will.

Article II, Part 4, establishes the surviving spouse's and children's rights in up to \$16,000 of the decedent's estate which cannot be taken by creditors. This part is to insure that the family of a decedent will not be stripped of all of its property in order to pay off old bills.

Article II, Parts 5, 6, and 7 relate to how a will must be prepared and how it is to be interpreted. Your Committee has concurred with the Senate's recommendation that unwitnessed wills not be valid because your Committee is concerned about the possibility of fraud inherent with such documents. At the same time, your Committee's draft permits a person who has a list disposing of items of personal property (such as jewelry, paintings, clothes, etc.) which is identified in a will to thereafter make changes in that list without having to execute a new will.

Article II, Part 8, continues present Hawaii law to the effect that a divorce revokes a bequest in a will to the former spouse and adds a new provision which prevents a killer from inheriting property from his victim.

Article III provides for three methods of probating an estate: (i) for estates of \$10,000 or less (Part 12), the existing small estates clerk (whose jurisdiction is now limited to \$3,000) may handle the probate with an absolute minimum of time and expense; (ii) for estates of \$25,000 or less (Part 3), informal procedures may be had, which procedures do not require any court hearings unless a person interested in the estate requests one (which court hearings are conducted pursuant to Part 4); and (iii) for estates in excess of \$25,000 (Part 5), regular supervised probate proceedings along the general lines of present Hawaii law must be had. Your Committee feels that this combination of procedures offers economy and efficiency to small estates without sacrificing necessary safeguards against dishonest persons who might try to defraud the estate or frustrate the decedent's wishes.

Article III also covers the rights, duties, and liabilities of personal representatives (now known as executors and administrators). Part 6 governs their appointment and termination, Part 7 sets forth their powers and duties, Part 8 governs how they are to handle creditor's claims, Part 9 governs how they are to distribute the assets, Part 10 specifies how they are to close probate proceedings, and Part 11 specifies their rights with respect to settling disputes concerning estates. These provisions add both clarity and substance to Hawaii law. One major change effected by these provisions is to eliminate a set statutory fee for personal representatives and their attorneys. Whereas the present statutory fee schedule provides certainty, it does not provide equity, for the personal representative and the attorney are paid without regard to the work which they have performed. Such a result is clearly inappropriate in a situation such as the probate of an estate which is a one-time endeavor without any continuing responsibilities and liabilities.

Article IV deals with ancillary probate proceedings which are proceedings commenced in Hawaii to administer property located here when the decedent was a resident of another state. Your Committee concurs with the Senate's deletion of those provisions of Article IV which would have permitted out-of-state personal representatives to administer property in Hawaii without first being appointed here.

Article V concerns guardians of the person and of the property. Senate Draft 1 refers to the latter as "conservators", but your Committee prefers use of the traditional designation of "guardian of the property" since it has an accepted meaning. In general, this Article is a great step forward in insuring that the best interests of minors and incapacitated adults are well protected. Your Committee's draft specifies that the family court has jurisdiction over guardians of the person and guardians of the property for people who have guardians of their person. This avoids the expense of having two separate proceedings. In addition, whereas the language of S.D. 1 made the nomination of a guardian in a will of a spouse or parent binding on the court, your Committee's draft empowers the court to ignore such a nomination if the best interests of the minor or incapacitated adult so dictate.

Article VI deals with the rights of persons in bank and similar accounts which have multiple parties such as trustee accounts. Your Committee's draft permits such accounts to be drawn against for the payment of taxes, expenses of administration and allowances to the family under Article II, Part 4, but not for the payment of creditors' claims.

Article VII deals with trusts and requires that they be registered in the judicial circuit wherein they are administered. Whereas S.D. 1 deleted section 7-201 relating to the types of proceedings concerning trusts which may be maintained, your Committee's draft reinstates this provision so as to make clear that the circuit court does have jurisdiction over proceedings relating to the internal affairs of trusts.

Your Committee has made a number of changes in S.B. No. 79, S.D. 1. Those changes, other than those of a grammatical nature, and the reasons therefor, are as follows:

1. Change: The title of the chapter is changed to the "Hawaii Probate Code".

Reason: In view of the extensive amendments proposed by your Committee, it was felt that it would be a misnomer to call the chapter the Uniform Probate Code.

2. Change: Section 1-106 is amended to extend the period within which a proceeding must be commenced after discovery of a fraud from 2 years to 6 years.

Reason: Six years is the general statute of limitations in Hawaii (sec. 657-1, Hawaii Revised Statutes), and your Committee sees no reason to accord a shorter statute to perpetrators of a fraud. Also, section 657-20, Hawaii Revised Statutes, establishes a six year statute of limitations on actions involving fraudulent concealment.

3. Change: Section 1-201 is amended in numerous small respects.

Reason: Your Committee believes that the amendments add clarity and organization to this section which defines terms used throughout the Code.

4. Change: The definition of registrar in section 1-201(36) is amended to provide that the judge presiding over probate proceedings in a judicial circuit is the registrar.

Reason: In view of the extensive new powers conferred on the registrar under your Committee's draft, your Committee is of the opinion that the position is best handled by a judge.

5. Change: Section 1-202(a) is amended to provide that a proceeding under the Hawaii Probate Code may be brought in any circuit.

Reason: Your Committee feels that according exclusive jurisdiction to the first court in which a proceeding is commenced may be inconvenient where the interested persons and property of the decedent are located on different islands.

6. Change: Section 1-403 is amended by including informal applications within its purview, by tightening the standards for mailed notice and by making reference to personal service.

Reason: Your Committee's draft requires notice in informal proceedings, thereby making mandatory the reference to applications which are used in such proceedings. Your Committee doubts that ordinary first class mail is a good method of effective delivery and therefore deleted the reference to such. Rule 5 of the Hawaii Rules of Civil Procedure deals with service, and your Committee intends to incorporate the provisions thereof by specific reference to service, which service for purposes of this bill may but is not required to be made by the sheriff of the State.

7. Change: Section 2-102 dealing with the surviving spouse's share in the case of intestacy is amended in numerous respects.

Reason: The amendments conform more closely to existing Hawaii law found in section 532-4, Hawaii Revised Statutes, which existing law your Committee believes more adequately reflects the desires of persons dying without wills.

8. Change: Section 2-103 dealing with the share of other than the surviving spouse in the case of intestacy is amended in numerous respects.

Reason: The amendments conform more closely to existing Hawaii law, which existing law your Committee believes more adequately reflects the desires of persons dying without wills. Specifically, your Committee's language retains the existing Hawaii law providing that, where the estate of an intestate decedent without surviving spouse, issue or parents has come by inheritance through one side of the family, that side takes to the exclusion of the other side.

9. Change: Section 2-104 is deleted.

Reason: Your Committee believes that deeming that one who dies within 120 hours after the death of the intestate died before the intestate for purposes of intestate succession, etc., is unnecessary and confusing. Any such legislation should be studied in concert with chapter 584, Hawaii Revised Statutes, the Uniform Simultaneous Death Act, and should be enacted only if such study demonstrates a real need therefor.

10. Change: Section 2-107 has been amended to exclude relatives of the half-blood from taking property from ancestors with whom they have no blood relationship.

Reason: The amendment conforms to section 532-8, Hawaii Revised Statutes, which your Committee feels to be the more likely desire of most families.

11. Change: Section 2-109 has been amended to conform to chapter 584, Hawaii Revised Statutes, the Uniform Parentage Act.

Reason: The amendment insures that no conflict exists between the Hawaii Probate Code and other Hawaii laws relating to the relationship of parent and child.

12. Change: A new section numbered 2-114 is added which deals with the situation which may occur if a person is related to an intestate through two lines, in which event he would take only under the line which entitles him to the larger share.

Reason: The amendment is recommended by the Editorial Board of the Uniform Probate Code to resolve an ambiguous area of the Uniform Probate Code as originally promulgated.

13. Change: The amount of exempt property in section 2-402 is increased from \$3,500 to \$5,000, and reference is made to the fact that such property must be taken in kind.

Reason: Your Committee felt that a \$3,500 limit on exempt property was unreasonably low in this State. At the same time, since the traditional purpose of exempting certain types of property was to insure that all the personal possessions of the decedent were not consumed in paying debts, your Committee seeks to implement this purpose by specifying that exempt property be taken in kind.

14. Change: Section 2-504 is amended to accord parity of treatment between a self-proved will from another state and a self-proved will from Hawaii. The form for self-proving must be exactly in the statutory form, not substantially as provided in the Uniform Probate Code.

Reason: Equating the treatment between in and out-of-state self-proved wills is recommended by the Editorial Board of the Uniform Probate Code. Your Committee has declined to adopt a further recommendation of the Editorial Board to the effect that witnesses to a self-proved will would not have to sign once as witnesses and a second time for the sake of the notarial certificate. Your Committee sees no great hardship in requiring two signings and, in fact, feels that the second signing before a notary adds desirable solemnity to the occasion. Your Committee further believes that requiring the form for self-proving of wills to be exactly rather than substantially as prescribed by statute will avoid unnecessary questions about what constitutes "substantial" compliance.

15. Change: Section 2-506 is amended by deleting a reference to section 2-503.

Reason: Section 2-503 was deleted in S.B. No. 79, S.D. 1.

16. Change: Section 2-507 is amended by permitting the partial revocation of a will only by a writing.

Reason: The Uniform Probate Code permits partial revocation by burning, tearing, cancelling, obliterating or destroying. Your Committee feels that too many factual questions would be raised if a physical act on the will were permitted to effect a partial revocation thereof.

17. Change: Section 2-509(a) is amended by adopting the present Hawaii law found in section 536-10, Hawaii Revised Statutes, to the effect that the destruction of a second will which revoked a prior will does not revive the prior will unless it is re-executed with testamentary formalities.

Reason: Your Committee believes that the certainty of the existing Hawaii

law is preferable over the evidentiary problems which may arise under the Uniform Probate Code's language. An example is this: testator executes a will, thereafter executes a codicil affecting one paragraph of the will, and later destroys the codicil. Under the Uniform Probate Code language, the relevant paragraph of the first will is revived if there is evidence that such was the testator's intention. Under your Committee's language, the relevant paragraph is revived only by a writing signed by the testator and two witnesses under section 2-502.

18. Change: Section 2-513 is amended by restricting the situations in which a testator may dispose of tangible personalty without testamentary formalities.

Reason: Your Committee's draft permits the testator to make changes to a list bequeathing tangible personalty so long as the list meets the standards for incorporation by reference and so long as the changes to the list after execution of the will are in the testator's handwriting and are signed by him.

19. Change: Section 2-601 is deleted.

Reason: This deletion conforms with the deletion of section 2-104. Your Committee feels even more strongly concerning the 120-hour provision in this instance than in the the case of section 2-104, for if the decedent desired any such result he would have so provided in his will. Proposing such a result by legislation may have the unintended effect of distorting a decedent's death tax planning by denying him a marital deduction.

20. Change: Section 2-602 is deleted.

Reason: Your Committee is disinclined to have our courts bound by the testator's choice of law for the simple reason that your Committee does not know the laws of the other 49 states relating to testamentary dispositions and does not want to bind our courts to laws of which it has no knowledge.

21. Change: Section 2-605 is amended by deleting the reference to 120 hours.

Reason: The deletion conforms to the deletion of sections 2-104 and 2-601.

22. Change: Section 2-608 is amended by rearranging its subsections.

Reason: This amendment is recommended by the Editorial Board to clarify ambiguities in the Uniform Probate Code as originally promulgated.

23. Change: Section 2-611 is amended by making specific reference to the sections which deal with half-bloods, illegitimates, and adopted persons, and by deleting the last sentence.

Reason: Your Committee feels that the addition of the specific sections clarifies the intent of the section. The deletion is to avoid overlap with chapter 584, Hawaii Revised Statutes, the Uniform Parentage Act.

24. Change: Section 2-803 is amended to make specific reference to those sections of the Penal Code which, if violated, would cause a person to lose benefits flowing to him on account of the decedent's death.

Reason: Your Committee feels that a person should not receive benefits from a decedent if he either murdered the decedent or intentionally caused the decedent to commit suicide.

25. Change: Section 2-901 is deleted.

Reason: Your Committee does not wish to burden the Judiciary with the task of being a custodian of wills.

26. Change: Your Committee has made extensive amendments to Article III of the Uniform Probate Code.

Reason: The Uniform Probate Code seeks to simplify and expedite the wrapping up of the affairs of a decedent, but your Committee feels that it eliminates too many safeguards in the process. Your Committee recommends: (i) that the jurisdiction of the small estates clerk under section 531-51, et. seq., Hawaii Revised Statutes, be increased from \$3,000 to \$10,000, (ii) that informal probate be permitted only for estates

with a gross value of \$25,000 or less, (iii) that informal probate proceedings require prior notice to persons likely to be affected thereby, (iv) that informal probate proceedings be administered by a judge, (v) that interested persons have the option to require that informal probate proceedings be discontinued and formal proceedings be commenced either for the duration of the probate or for the adjudication of a particular issue, (vi) that informal proceedings be closed by an order of distribution, and (vii) that supervised probate proceedings under the continuous supervision of the court be required for estates with a gross value in excess of \$25,000.

27. **Change:** Section 3-102 is amended by deleting the provisions under which an unprobated will may be used as evidence of a devise.

**Reason:** Your Committee feels that, if a will is to be used as evidence of the passage of title, it should be subjected to judicial scrutiny and approval in a probate proceeding. See e.g., *In re Kaiena's Estate*, 24 Haw. 148 (1917).

28. **Change:** Section 3-107 is amended to require that all probate proceedings be continuous actions which begin with an application (informal) or petition (supervised) for probate of a will or adjudication of an intestacy and appointment of a personal representative.

**Reason:** Your Committee's draft conforms with existing Hawaii law and is made necessary by your Committee's amendments elsewhere in Article III which require a probate proceeding to have both a beginning and an end.

29. **Change:** Your Committee's draft of section 3-108 effects many changes: first, it establishes a basic rule that, except for ancillary probates, no informal or formal proceeding to probate a will may be commenced more than 5 years after the decedent's death (see, e.g. section 531-5, Hawaii Revised Statutes); second, it establishes the following significant exceptions to and modifications of that rule: (i) a proceeding to declare an intestacy may be commenced at any time if a proceeding to probate a will was not commenced within that 5-year period; (ii) a person who was a minor during the important stages of a prior probate proceeding has one year after reaching the age of majority within which to contest (either by offering a will or by arguing for a declaration of intestacy) the prior proceeding if he stands to share in the estate if his contest is successful and if he or persons similarly situated were not represented in the prior proceeding (see, e.g. section 531-5, Hawaii Revised Statutes); and (iii) a person who does not receive notice of a probate proceeding as required by section 1-401 has one year after learning of the prior proceeding within which to contest that proceeding if he stands to share in the estate if his contest is successful and if persons similarly situated were not represented in the prior proceeding.

**Reason:** Your Committee is attracted to the Uniform Probate Code's attempt to add certainty to probate proceedings by setting an absolute bar to actions commenced more than a specified number of years after the decedent's death, but your Committee is reluctant to impose that bar on minors whose interests were unrepresented in the prior proceeding and on persons who had no notice of the prior proceeding.

30. **Change:** Section 3-201 is amended to permit venue for the first probate proceeding to be in a circuit in which the decedent owned real property as well as in the circuit in which the decedent was domiciled.

**Reason:** Your Committee feels that there may be instances where a decedent lived in one circuit but had the bulk of his estate in realty in another circuit. In such cases, your Committee does not believe that probate proceedings should be required to be initiated in the circuit wherein the decedent was domiciled.

31. **Change:** Section 3-202 has been amended to accord Hawaii courts more discretion concerning the maintenance of proceedings here in situations involving multi-state estates.

**Reason:** Your Committee prefers that Hawaii courts have the opportunity to treat domicile questions in multi-state estates on a case-by-case basis rather than imposing an iron-clad rule that the first state in which probate proceedings were initiated may make a binding determination of the decedent's domicile.

32. **Change:** Section 3-203 is amended by (i) according children of the decedent priority for appointment as personal representatives, (ii) making clear that the court is not required to appoint as a personal representative a person nominated by persons entitled to more than one-half the estate, (iii) deleting the last sentence of paragraph

(e), and (iv) adding a reference to section 3-601.

Reason: Your Committee believes that the first amendment more adequately reflects the probable desire of intestates. Your Committee's second amendment (paragraph (b)(2)) is for the sake of clarity and does not alter the effect of the original language. Your Committee's third amendment (paragraph (e)) is made necessary because your Committee's draft does not permit probate proceedings to be commenced without administration by a personal representative. Your Committee's fourth amendment (paragraph (f)) refers to the new qualification requirements for a personal representative which your Committee has inserted in section 3-601.

33. Change: Section 3-204 is amended in minor respects.

Reason: Your Committee feels that the amendments add clarity.

34. Change: Your Committee has made numerous substantive amendments to section 3-301, which amendments: (i) make clear that only estates with a value of \$25,000 or less may be informally probated, (ii) require the applicant to estimate the gross value of the decedent's estate in his application and notice, (iii) require that notice of the pendency of informal proceedings be delivered to persons likely to have an interest in the estate, (iv) identify the contents of such notice, and (v) require the appointment of a personal representative.

Reason: The amendments incorporate the essence of your Committee's views on informal probate procedures, which views are summarized in change no. 26 above.

35. Change: Section 3-302 is amended to make clear that a personal representative must be appointed in a probate proceeding.

Reason: This change effects your Committee's feeling that every probate proceeding must have a personal representative to administer it.

36. Change: Section 3-303 is amended to conform to the revised application described in section 3-301.

Reason: The amendment is necessary in view of your Committee's changes to section 3-301.

37. Change: Section 3-306 is deleted.

Reason: Since your Committee's draft requires notice at the commencement of the proceeding, this section is superfluous.

38. Change: Section 3-307 is amended by deleting the requirement that there be a 120-hour delay after death before a probate proceeding may be commenced.

Reason: The purpose of the 120-hour delay in S.D. 1 was to give time for interested persons to learn of the death. Your Committee's draft handles this directly by requiring notice.

39. Change: The amendments to sections 3-308, 3-309, 3-310, and 3-311 parallel the amendments to sections 3-303, 3-305, 3-306, and 3-304, respectively.

Reason: See the reasons for the amendments to sections 3-303 through 3-306.

40. Change: Section 3-401 is amended to make clear that it applies to estates with a value of \$25,000 or less and to specify the type of orders grantable.

Reason: Part 4 has a very narrow application: it is the procedure by which disputes which arise in an informal (\$25,000 or less) probate proceeding can be resolved by a court after notice and hearing without the necessity of converting the proceeding to a supervised (Part 5) proceeding. Typical questions which might arise would concern whether or not the value of the estate is equal to or less than \$25,000, the validity of the will, the heirs of an intestate decedent, etc.

41. Change: Section 3-402 is amended to identify with clarity the contents of petitions to initiate formal testacy proceedings.

Reason: Your Committee feels that the increased specificity of its draft more clearly delineates the types of proceedings maintainable under Part 4.

42. Change: Section 3-406(b) is amended by deleting the reference to a conclusive presumption.

Reason: Your Committee feels that the presumption of compliance with signature requirements should be subject to rebuttal.

43. Change: Section 3-407 is amended by making clear that the court has power to consolidate different probate proceedings concerning a decedent's estate.

Reason: Your Committee desires to make clear the court's power to consolidate all proceedings concerning a decedent's estate.

44. Change: Section 3-412 is amended to make specific reference to the time limits contained in section 3-108.

Reason: Since your Committee's draft of section 3-108 details with specificity the circumstances under which the findings in a prior probate proceeding may be altered, your Committee feels that reference to that section adds clarity.

45. Change: Section 3-502 is amended to make clear that supervised proceedings are required if the estate has a gross value in excess of \$25,000.

Reason: The amendment conforms to your Committee's version of three types of probate proceedings. The proceedings under Part 5 are essentially compatible with existing Hawaii probate proceedings, but under your Committee's draft are only required if the gross value of the estate is in excess of \$25,000.

46. Change: Your Committee has made substantial amendments to section 3-601, which amendments make clear: (i) that an individual must be a resident of Hawaii in order to serve as a personal representative, (ii) that a corporation, in order to so serve, must be actually doing business in Hawaii prior to serving as a personal representative, and (iii) that, if a corporate personal representative is not a trust company or a bank, it must post a bond and satisfy the court that it will be able to effectively serve as personal representative.

Reason: A requirement of residency for an individual personal representative is a continuation of existing Hawaii law. Permitting a corporation other than a trust company or a bank to serve as a personal representative is a change in Hawaii law. Your Committee wishes to accord Hawaii residents a broader choice of corporate personal representatives. Your Committee has included safeguards to insure that the non-trust company and non-bank corporate personal representatives are capable of serving as such with minimal risk to the estate: first, the court has discretion to decline to appoint one if it does not meet certain standards, which standards are derived in part from the standards required of trust companies by chapter 406, and, second, the court must require a bond from such corporations.

47. Change: Section 3-601(c) (which contains the language found in original section 3-601), has been amended by deleting the requirement for the filing of a statement of acceptance by a personal representative who was the applicant or petitioner.

Reason: A statement of acceptance in a circumstance where an applicant or petitioner is appointed as personal representative pursuant to his application or petition is superfluous.

48. Change: Section 3-602 is amended by requiring notice of any proceeding against the personal representative to be delivered to the personal representative's attorney as well as the personal representative himself.

Reason: This conforms with existing practice of serving pleadings on the attorney.

49. Change: Section 3-603 is amended so as to make clear that a bond is required of a nonfiduciary corporate personal representative as discussed under the change to section 3-601 above, and to make clear that the court or the registrar always has discretion to require a bond.

Reason: Your Committee feels that the amendments add clarity.

50. Change: The language in section 3-604 is rearranged.

Reason: Since all applications and petitions require an estimate of the value of the estate, the language of S.D. 1 which suggests that such estimate may not be so included is inappropriate.

51. Change: Section 3-605 is amended to make clear that, notwithstanding demand by an interested person, the registrar or the court is not required to have a bond posted.

Reason: The Committee feels that the amendment adds clarity.

52. Change: Section 3-606(a) (1) has been amended to have the judge presiding over the probate calendar, or his successor, be named as obligee on a bond.

Reason: This conforms with existing Hawaii practice.

53. Change: Section 3-606(a) (2) is new.

Reason: This new language is designed to insure that a bond is not so worded that the surety is excused in the event that the personal representative defaults in the performance of his duties. Your Committee is aware, for instance, that some bonds now being used excuse the surety if the executor or administrator fails to timely file his accounts. Failure to file accounts is the first indication that something might be amiss, and it is totally nonsensical to permit a bond which excuses the surety from liability as soon as it appears that the risk insured against may materialize.

54. Change: Section 3-606(a) (5) makes reference to service on out-of-state sureties in the manner provided by chapter 634.

Reason: This amendment is designed to harmonize service upon sureties under the probate law with service on other nonresidents under general Hawaii law.

55. Change: Section 3-610 has been amended to provide that termination of the appointment of an informally appointed personal representative occurs in the same manner as termination for one who is formally appointed.

Reason: Your Committee's draft requires orders discharging both formally and informally appointed personal representatives, thereby negating the need to have different methods of terminating their appointments.

56. Change: "Acceptance" is substituted for "qualification" in sections 3-613 and 3-616.

Reason: A personal representative is required by section 3-601 to accept his appointment. Therefore, it makes sense that he not be treated as a personal representative until he has done so.

57. Change: Section 3-704 is amended to delete the authorization of the personal representative to distribute the decedent's estate without court order.

Reason: Your Committee's draft requires a court order approving the closing of the estate and identifying the distributees.

58. Change: Section 3-705 is deleted.

Reason: Since your Committee's draft requires notice at the time of the commencement of probate proceedings, this section which requires notice after a personal representative is appointed is unnecessary.

59. Change: Section 3-706 is amended to: (i) reduce the period within which the personal representative shall file an inventory from three months to thirty days; (ii) require the personal representative to file the inventory with the court; and (iii) provide for a transfer from informal to supervised proceedings in the event that the inventory reveals an estate in excess of \$25,000.

Reason: Personal representatives now have thirty days within which to file an inventory, and your Committee does not believe that such requirement is unreasonable, especially since your Committee's draft requires a court-appointed appraiser to value assets of uncertain value, whereas S.D. 1 permits the personal representative to hire an appraiser who might need more than thirty days to complete his work. Your Committee's draft requires filing the inventory with the court since (i) the court will ultimately have to issue a closing order and therefore has need to know what was in the estate,

and (ii) the court needs to know in proceedings commenced informally whether or not the estate is \$25,000 or less. The provisions for transfer of a probate proceeding from an informal to a supervised proceeding are designed to accommodate the situation wherein the personal representative believes that the assets are under \$25,000 and therefore so states in his application, but discovers at the time of inventory that the value is in excess of \$25,000.

60. **Change:** Section 3-707 is amended to continue the existing Hawaii practice of having the appraisers for the estate appointed by the court.

**Reason:** Since the appraisal is used for inheritance tax purposes, your Committee feels that the appraiser should be totally impartial. Your Committee feels that this objective can be best attained by having an appraiser appointed by the court.

61. **Change:** Section 3-708 is amended to conform with the changes to sections 3-706 and 3-707.

**Reason:** See reasons for amendment of sections 3-706 and 3-707.

62. **Change:** Section 3-713 is amended to require that any transaction between the personal representative and the estate be approved by the registrar or the court rather than be merely voidable.

**Reason:** Your Committee feels that it is desirable that transactions involving a conflict of interest be subjected to judicial scrutiny. The judicial review may be made at the time of approval of final accounts.

63. **Change:** Section 3-719 is amended to make clear that the compensation paid the personal representative shall appear in his final accounts and shall be therefore approved by the court.

**Reason:** Your Committee feels that the amendment adds clarity. Your Committee recognizes that providing for reasonable fees rather than a statutory schedule will effect a major change in probate practice. Your Committee feels, however, that the United States Supreme Court decision in *Goldfarb v. Virginia State Bar*, U.S., 44 L Ed 2d 572 (1975), casts a shadow over fixed fee schedules. Regardless of the *Goldfarb* decision, however, your Committee feels that the personal representative should be compensated fairly for the work performed in every case, and the statutory fee schedule is at best an estimate of what constitutes fair compensation in a typical probate proceeding. Your Committee envisions that the courts will continue to look to the repealed statutory fees as a guide in determining a fair rate of compensation in the typical probate for personal representatives.

64. **Change:** Section 3-721 is amended to delete the reference to a special hearing for review of the propriety and compensation of an employee of the estate.

**Reason:** In view of the fact that the final accounts must be approved by the registrar or the court, a special hearing is unnecessary. As to the questions regarding the reasonableness of fees, your Committee's views are expressed in its comments under section 3-719 above.

65. **Change:** Section 3-801 is amended to (i) permit the notice to creditors to be published as a part of any notice published at the commencement of probate proceedings, and (ii) require that a nominee who is not appointed as personal representative turn over to the person who is so appointed all claims received.

**Reason:** Your Committee seeks to reduce the costs of probate proceedings by permitting a consolidation of any required notice of the pendency of the proceedings and the notice to creditors.

66. **Change:** Section 3-802 is amended by requiring only the consent of people whose interests are affected to a waiver of a statute of limitations.

**Reason:** The change is recommended by the Editorial Board and is designed to preclude an interested person whose interest is not adversely affected from preventing a waiver of a statute of limitations.

67. **Change:** Section 3-803(c)(1) is amended by adding reference to a "secured interest", and section 3-803(c)(2) is amended by including a statute of limitations for a claim against a liability insurer.

**Reason:** The amendment to section 3-803(c)(1) is intended to make more inclusive the language of S.D. 1. The amendment to section 3-803(c)(2) establishes the regular two-year tort statute of limitations for claims against a liability insurer of the decedent. The language of S.D. 1 says that claims against a liability insurer are not barred by the four-month nonclaim statute, but does not establish what statute of limitations applies. Your Committee's addition clarifies this point.

68. **Change:** Section 3-804(3) is amended by adding the requirement that any mailed notice must be by registered or certified mail and by increasing the period within which suit must be filed on a rejected claim from 60 to 90 days.

**Reason:** Your Committee feels that requiring registered or certified mail better insures that the notice will be received. Your Committee also feels that requiring suit on a rejected claim within 60 days puts too much of a burden on claimants.

69. **Change:** Section 3-805 is amended by inserting the homestead and family allowances and exempt property as items of priority.

**Reason:** Your Committee feels that the Uniform Probate Code is not as clear as it might be regarding priority. (See sections 1-201(4), 2-401, 2-402, 2-403, and 3-805.) Your Committee's language makes clear that amounts owing under sections 2-401 and 2-403 and property covered by 2-402 are to be paid and transferred prior to payment of claims.

70. **Change:** The title of section 3-806 is amended by making reference to the disallowance of claims. The body of section 3-806(a) is amended to make clear that the personal representative is not required to mail a disallowance and to increase from 60 to 90 days following the disallowance the period within which the claimant must sue.

**Reason:** The title change is for clarity, as is the additional language in line 4. The change from 60 to 90 days is to conform with the change in section 3-804(3).

71. **Change:** Section 3-807(b) is amended to make clear that a personal representative suffers no personal liability for paying claims without regard to their priority if the estate in fact does pay all claims of equal or greater priority.

**Reason:** Your Committee feels that the additional language adds clarity without affecting the substance.

72. **Change:** Section 3-808(b) is amended by deleting the word "personally".

**Reason:** Your Committee feels that the language of S.D. 1 may relieve the personal representative of any liability to which a fiduciary is traditionally exposed under respondent superior and similar theories, and your Committee seeks to avoid this result.

73. **Change:** Section 3-812 is amended by making reference to "other secured interest".

**Reason:** Your Committee intends to make more inclusive the language of S.D. 1.

74. **Change:** Section 3-816 is amended by adding a reference to the registrar and section 3-1003.

**Reason:** Your Committee's draft requires closing orders in both informal and supervised administration, thereby making necessary the reference to the closing order in an informal proceeding.

75. **Change:** Section 3-901 is amended by deleting the reference to "no administration" and providing that title to the decedent's property is established by the order of distribution.

**Reason:** Section 3-901 of S.D. 1 envisions an informal probate in which no personal representative is appointed. Since your Committee's draft requires both appointment and a closing order, the S.D. 1 language is inappropriate.

76. **Change:** Section 3-902 of S.D. 1 provides that realty and personalty abate equally, whereas your Committee's draft calls for personalty in one class of property to be abated prior to realty in the same class.

**Reason:** Your Committee feels that, given the importance of realty in Hawaii,

most decedents would desire that personalty be abated before realty. See, e.g., Hawaiian Trust v. Wilder, 46 Haw. 436 (1963).

77. Change: Section 3-904 is deleted.

Reason: Your Committee prefers the common law case-by-case determination of whether or not devises bear interest. See, e.g., Estate of Wilder, 9 Haw. 492 (1894).

78. Change: Section 3-906(b) is amended by adding the requirement that any mailed notice must be by registered or certified mail and by specifying that the court, in the interest of fairness, may order distribution other than as proposed by the personal representative.

Reason: Your Committee feels that requiring registered or certified mail better insures that the notice will be received. Your Committee also feels that, in the interest of fairness, the court should have the discretion to order distribution other than as proposed by the personal representative.

79. Change: Section 3-907 is amended by deleting reference to the personal representative executing an instrument of conveyance for a distribution in kind and substituting therefor reference to a court order.

Reason: Your Committee's draft requires a court order of distribution, which order is the evidence of the distributee's title.

80. Change: Section 3-908 is amended by substituting "order" for "deed or instrument" and by making such order only evidence of the distributee's succession to the estate's interest in property, rather than "conclusive" evidence.

Reason: The substitution of "order" here and in section 3-910 is to conform to the change in section 3-907. The deletion of the reference to "conclusive" evidence is intended to give the courts broader discretion in weighing the evidence in the event of any dispute.

81. Change: Section 3-910 is amended by (i) inserting the requirement that the purchaser, lender or transferee be without actual notice of the impropriety of the distribution, (ii) inserting reference to a transferee from the distributee, and (iii) deleting the statement that the recipient need not inquire as to the propriety of the distribution.

Reason: Your Committee's new language discussed in (i) makes clear that the recipient is a bona fide taker if he is to avoid liability for returning improperly distributed property. The language discussed in (ii) is recommended by the Editorial Board in order to extend the protection accorded herein to transferees from the distributee. Your Committee's deletion of the last sentence and its refusal to add additional language recommended by the Editorial Board is not intended to suggest that a purchaser or lender is required to investigate the propriety of a distribution, but rather, is to leave to the common law and the conscience of the court whether or not the facts of any particular case are such as to have indicated that a prudent person would have investigated the propriety of a distribution.

82. Change: Section 3-1001 has been substantially reorganized and amended, the effect of which is: (i) to require a petition to close an estate within two years after the appointment of the personal representative, and (ii) to require that the testacy status, accounts, and distribution be determined, approved, and ordered.

Reason: Your Committee feels it desirable that a limit be set on the time necessary to probate an estate. Present Hawaii law establishes a one-year limit, which limit seems unreasonable on the face of it in view of the fact that the inheritance tax record is not required to be filed until eighteen months following the decedent's death. Your Committee envisions that the order under this section approving the accounts, ordering distribution, and discharging the personal representative will be similar in effect to that now utilized in our probate proceedings.

83. Change: Section 3-1002 has been deleted.

Reason: Section 3-1002 in S.D. 1 envisions the closing of an estate in which there is no order determining whether the decedent died with or without a valid will. Your Committee's draft requires that the testacy status be determined at the outset of probate proceedings, with the result that a closing within the meaning of this section would never occur.

84. Change: Section 3-1003 has been substantially amended, which amendments (i) require the personal representative appointed in informal proceedings to apply for an order closing the estate within two years, (ii) require an itemization of income received, expenses paid, and property left in the hands of the personal representative, (iii) require that the personal representative identify the distributees and the property to be received by each, (iv) require service of the pleadings to close the estate upon all interested persons, (v) permit an interested person to file an objection to the pleadings, (vi) direct the registrar to schedule a hearing concerning the closing upon timely receipt of an objection from an interested party, and (vii) direct the registrar in other cases to issue an order approving the accounts, ordering the distribution, and discharging the personal representative.

Reason: As indicated in the discussion of change no. 28 above, your Committee feels that all probate proceedings should have a beginning and an end. Your Committee's amendments to section 3-1003 are designed to provide an end to informal proceedings. The basic difference between a closing under sections 3-1003 and 3-1001 is that, in the latter, a hearing is automatically scheduled and occurs, whereas in the former, a hearing only occurs upon objection by an interested person.

85. Change: Section 3-1004 has been amended (i) to provide for the joinder of the personal representative in any suit against a distributee by a creditor of the estate, (ii) to make clear that a distributee may be liable to the claimant for an amount in excess of the value of its distribution as provided in section 3-909, and (iii) to make clear that distributees do not contribute pro rata to the recovery of a claimant against any particular distributee if the order approving distribution allocated liability for the claim in some other manner.

Reason: Your Committee feels that joining the personal representative in a lawsuit against the distributee on account of an improper distribution is desirable since a personal representative is presumably the party with best knowledge as to the propriety or lack of propriety of the distribution. The liability of the personal representative is as determined in section 3-1005. The other amendments add clarity.

86. Change: Section 3-1005 has been amended to make clear that it applies to both formal and informal closings and to increase the time within which the personal representative may be sued for breach of his fiduciary duty from six months to two years after the filing of the order discharging the personal representative.

Reason: Since your Committee's draft requires closing orders in both formal and informal proceedings, your Committee feels that it is logical to have the same rules concerning fiduciary liability applied to both situations. The two-year statute of limitations is the standard tort statute in Hawaii.

87. Change: Section 3-1006 is amended so as to be more parallel with section 3-1005 and to raise from one to two years the time within which a distributee may be sued for return of property improperly distributed to him.

Reason: See discussion of section 3-1005 above.

88. Change: Section 3-1008 is amended by deleting the reference to property discovered more than one year after the closing statement has been filed.

Reason: The deleted language only has relevance in the absence of an order closing the estate, and your Committee's draft requires such an order for every estate.

89. Change: Section 3-1101 is amended by (i) deleting the word "formal" in line 5, (ii) adding language referring to a controversy over the testacy status of the decedent, and (iii) deleting reference to unborn, unascertained, or unlocated persons.

Reason: The deletion of "formal" is intended to make clear that, if the estate is \$25,000 or less, it may be probated informally even if the compromise agreement has to be approved in a formal proceeding. Adding reference to the testacy status of the decedent is intended to make clear that one of the subjects of a compromise agreement may be whether or not the decedent had a valid will. Deleting reference to unborn, unascertained, or unlocated parties is intended to make clear that they are not bound by a compromise agreement unless their interests are adequately represented by persons similarly situated or by guardians ad litem.

90. Change: Section 3-1102(3) is amended by providing that minor children are bound by a compromise agreement only if represented by a guardian ad litem who approves

thereof.

Reason: Your Committee fears that according parents the power to compromise their children's rights may lead to undesirable results, as where the parents stand to profit at their children's expense from the compromise. The court, of course, has the power to appoint a parent as the guardian ad litem and would probably do so if there was no conflict. Your Committee envisions that a parent would execute a compromise agreement contingent upon appointment as a guardian ad litem, which appointment would be made at the time of approval of the compromise.

91. Change: Part 12 of Article 3 is substantially amended.

Reason: Your Committee is of the opinion that the present Hawaii procedures which entail a clerk of the court handling small estates has worked very well, and your Committee is unwilling to change said procedures. The only criticism of which your Committee is aware is that the jurisdictional amount of the estate administerable by the clerk is too small. Accordingly, your Committee has included as sections 3-1205 through 3-1215 the existing Hawaii small estates provisions found at section 531-51 through 531-61, except your Committee has increased the jurisdictional limit from \$3,000 to \$10,000 and has made minor changes in terminology to conform with the language of S.B. No. 79.

92. Change: Section 3-1201 is amended to reduce the amount collectable by affidavit from \$5,000 to \$100 and to change the content of the affidavit.

Reason: Your Committee's draft incorporates in section 3-1201 the provisions now found in section 531-71. Your Committee feels that the much lower amount collectable by affidavit under its draft is warranted in view of the potential for mischief inherently present in an affidavit collection procedure.

93. Change: Sections 3-1203 and 3-1204 are deleted.

Reason: Your Committee feels that the small estates procedures included in sections 3-1205 through 3-1215 adequately cover the field.

94. Change: Section 4-101 is amended to provide that the spouse, parent, or child of the decedent may be the personal representative in ancillary probate proceedings whether or not they are residents of Hawaii.

Reason: Your Committee does not think it necessary to have a Hawaii resident be the personal representative in ancillary probate proceedings so long as a close family member of the decedent is so appointed.

95. Change: Section 4-301 is amended by inserting the requirement for the filing of an application or petition for appointment and deleting the reference to receiving property of the decedent without appointment.

Reason: Your Committee's draft requires that a foreign personal representative commence proceedings and be appointed in this State in order to obtain the rights of a personal representative under Article 3. Thus, the language of S.D. 1, which makes reference to a personal representative collecting assets without being appointed, is no longer appropriate.

96. Change: Section 4-401 is deleted.

Reason: Your Committee prefers to leave it to the courts to determine on a case-by-case basis the effect of a judgment in another state on ancillary proceedings in this State.

97. Change: Section 5-101 and the balance of S.D. 1 is amended by deleting the word "conservator" and inserting in its place the words "guardian of the property", and by inserting the words "of the person" after the word "guardian". A definition of "guardianship proceedings" is added.

Reason: Your Committee feels that the word "conservator" may be misunderstood and may mean different things in different jurisdictions. Your Committee prefers to use the traditional language of "guardian of the person" and "guardian of the property". These changes are made throughout the Hawaii Probate Code. The addition of the definition of "guardianship proceeding" is for clarity.

98. Change: Section 5-102 has been amended to maintain the present jurisdiction of the Family Court over guardianship proceedings and to accord the Family Court jurisdiction over protective proceedings where guardianship proceedings concerning the same person are commenced.

Reason: Your Committee seeks to eliminate the necessity for having two separate proceedings before two distinct courts when the person is both an incapacitated person and in need of protective proceedings.

99. Change: Section 5-103 is amended to limit its application to one payment or transfer with a value not exceeding \$1,000.

Reason: Your Committee feels that protective proceedings ought not to be required where one relatively small sum is owing a minor. Where the sum is larger than \$1,000 or where there are continuing payments being made on account of the minor, your Committee thinks that the safeguard of having a court appointed guardian of the property is desirable.

100. Change: Section 5-104 is deleted.

Reason: Your Committee feels that a guardian of the person appointed by the court should have court approval of any person to whom he wishes to delegate his powers.

101. Change: Section 5-201 is amended by deleting the reference to a testamentary appointment.

Reason: Present Hawaii law and the language of S.D. 1 both require the court accede to a testamentary appointment of a guardian. *Hawaiian Trust Co. v. Stanley*, 31 Haw. 705 (1930). Your Committee thinks this to be bad law, for the circumstances which led the decedent to designate a guardian in his will may have changed, and your Committee wants the court to have discretion to appoint some other person if the best interests of the minor so require. The court should, however, give preference to a testamentary nominee and should only appoint someone else if there is good cause for doing so.

102. Change: Sections 5-202 and 5-203 are deleted.

Reason: Since your Committee's draft requires testamentary nominees to be approved by the court, there is no longer a need to have special provisions concerning them. Thus, references to testamentary guardian throughout this part have been amended.

103. Change: Section 5-204 is amended to make clear that a testamentary nominee has priority but is not required to be appointed guardian of the person of a minor.

Reason: See the reason for amendment of section 5-201 above.

104. Change: Section 5-206 is amended to make clear that the provisions thereof are subject to the provisions of section 5-204.

Reason: Your Committee feels that a testamentary nominee should have priority over the minor's nominee.

105. Change: Section 5-207 is amended by requiring notice to the legal and natural parents of the minor and the grandparents of the minor as well as to the guardian of the minor's property. This section is further amended by reducing from six months to 90 days the length of time during which a temporary guardian may serve.

Reason: Your Committee feels that giving notice of the pendency of the appointment of a guardian of the person of a minor to any living grandparent of the minor will insure that the family learns of the proceedings. Requiring that notice be given to a natural parent is consistent with the type of notice required in adoption proceedings. Giving any guardian of the minor's property notice of the pendency of the appointment of a guardian of the person is to help insure that all persons concerned with the minor have knowledge of all significant steps being taken with respect to the minor. The Committee feels that six months is too long a term for a temporary guardian who may be appointed without notice.

106. Change: Section 5-212(c) is amended by requiring the court to appoint an attorney to represent the minor if the court determines that the interests of the minor are or may be inadequately represented in proceedings designed to remove the guardian.

Reason: Your Committee feels that, once the court has made the determination that the minor's interests are or may be inadequately represented, the court should be required to appoint an attorney to represent the minor.

107. Change: Section 5-301 is amended to give the family court power not to appoint a person designated in the will of a parent or spouse as guardian of the person of an adult if good cause exists.

Reason: See discussion of reasons for amendment to section 5-201.

108. Change: Section 5-303 is amended by making it optional for the court to appoint a physician to examine an alleged incapacitated person and by changing the reference to "the visitor" to "a family court officer or other person designated by the family court".

Reason: The first amendment is desirable since there may be situations in which the court does not feel the need to appoint a physician, perhaps because there is other adequate physician testimony, and the court should have discretion in such a case not to make such an appointment. The reference to "the visitor" is deleted as being confusing.

109. Change: Section 5-307(c) is amended by making reference to section 5-303.

Reason: Your Committee feels that the amendment makes more clear that the ward has the same procedural safeguards in proceedings to remove a guardian or terminate the guardianship that he has in the initial proceedings to appoint a guardian of the person.

110. Change: Section 5-308 is deleted.

Reason: This section defines "the visitor", which terminology is deleted in your Committee's draft.

111. Change: A new section designated 5-308A is added.

Reason: This new section will require the guardian of a person to report to the court as the court shall request on the condition of the protected person. A guardian of the property is required to account to the court concerning the status of his ward's finances. (See section 5-419.) Your Committee feels it to be even more important that a guardian of the person be required to report to the court concerning his ward's condition.

112. Change: Section 5-309 is amended so as to be more parallel with the requirements of section 5-207.

Reason: See the reason for amendment of section 5-207 above.

113. Change: Section 5-310 is amended to reduce the period during which a temporary guardian may serve from six months to 90 days and to make clear that the family court has the right to appoint a temporary guardian of the person whether or not another guardian of the person was previously appointed.

Reason: Since a temporary guardian may be appointed without notice, your Committee is reluctant to have one serve for as long as six months. Your Committee feels that the second amendment adds clarity.

114. Change: Section 5-311 is amended to make clear that the family court is not bound by the order of priority listed.

Reason: Your Committee feels that the family court should have discretion on a case-by-case basis to determine who can best serve as a guardian, and your Committee does not wish to tie the court's hands by requiring an appointment in the order of priority listed if good cause exists for the appointment of another. In all events, the standard which the court shall apply in selecting a guardian is the best interests of the incapacitated person.

115. Change: Section 5-402 is deleted.

Reason: Your Committee feels that this section is superfluous since the circuit courts are courts of general jurisdiction.

116. Change: Section 5-405 has been amended to provide for notice in the manner

and to the persons specified under section 5-309.

Reason: Your Committee feels that notice of any proposed commencement or termination of a guardianship should be given the widest possible circulation amongst family members, and the provisions of section 5-309 are very thorough.

117. Change: Section 5-407 has been amended to make the procedure parallel with that contained in section 5-303.

Reason: Your Committee believes that the consideration for the rights of an alleged incapacitated person which is found in section 5-303 should also extend to a person alleged to need a guardian of the property.

118. Change: Section 5-408(3) is amended to include reference to section 5-408(4).

Reason: Your Committee seeks to make clear the intent of S.D. 1 that exercise of certain of the powers contained in (3) may be made only after a hearing thereon under (4).

119. Change: Section 5-408(4) is amended to include transactions relating to realty among those requiring notice and hearing, and to identify how and to whom notice is to be given.

Reason: Your Committee feels that transactions involving the protected person's realty should be preceded by a hearing after notice to as many people with a possible interest in the protected person as practicable. Your Committee's language is not intended to apply to transactions with a short-term effect, such as short-term rentals of the protected person's realty.

120. Change: Section 5-412(e)(2) is new.

Reason: The amendment is identical to, and is made for the same reason as, the amendment to 3-606(a)(2) discussed above.

121. Change: Section 5-419 is amended to require the guardian of the property to account to the court upon termination of the protected person's disability.

Reason: Your Committee feels that the interests of the ward are best protected by requiring an accounting filed with the court, whatever the reason for the termination of the guardianship.

122. Change: Section 5-422 is amended to require court approval of a guardian's transaction involving a conflict of interest.

Reason: Your Committee feels that any transaction between a guardian and his ward should be given judicial scrutiny. The judicial review may be made at the time of any required accounting.

123. Change: Section 5-424 is amended to make reference to sections 5-408(4) and 5-422.

Reason: Your Committee's amendment makes clear that the broad powers conferred on the guardian by this section may be exercised only upon court approval, after notice and hearing, if the transaction is within the purview of sections 5-408(4) and 5-422.

124. Change: Section 5-425(e) is amended to require the initiation of probate proceedings by a guardian of the property if no such proceedings are commenced within 40 days after the decedent's death.

Reason: Your Committee feels that post-death transfers should be handled in proceedings initiated for that purpose rather than in proceedings initiated as a guardianship. Especially is this true since the guardianship proceedings may be maintained in the family court by virtue of the amendment made by your Committee in section 5-102(b).

125. Change: Section 5-429(b) has been amended by deleting the word "personally".

Reason: See the reason for the amendment of section 3-808(b).

126. Change: Sections 5-431 and 5-432 are deleted.

Reason: Your Committee feels that, in order to be entitled to collect debts due his ward, a guardian of the property appointed in another state should qualify in Hawaii.

127. Change: Section 6-101(3) is amended by deleting the reference to trust companies and building and loan associations and by inserting a reference to industrial loan companies.

Reason: Trust companies in Hawaii do not provide the accounts referred to in Part 6 whereas industrial loan companies do. There are no building and loan associations in Hawaii.

128. Change: Sections 6-101(10) and (11), 6-103(b), 6-104(b), and 6-110 are deleted.

Reason: Your Committee is not aware that "pay on death" accounts are available in Hawaii.

129. Change: Section 6-103(c) is amended by deleting the last sentence.

Reason: Your Committee feels that the sentence adds nothing to the paragraph.

130. Change: Section 6-104(c) is amended to make clear how a trustee account with two or more trustees is handled upon the death of one.

Reason: The amendment is suggested by the Editorial Board for the sake of clarity.

131. Change: Section 6-107 is amended to (i) delete the provision subjecting multiple party accounts to the claims of creditors, and (ii) to provide that a financial institution with actual knowledge that a payment should not be made is not relieved from liability if it makes payment.

Reason: Present law does not accord creditors the right to attach the interest of a decedent in property held in joint tenancy, and your Committee sees no reason why they should be accorded that right in the case of a multiple party account. Throughout Article VI, your Committee has deleted protection for financial institutions which have actual knowledge of facts indicating that payment under a multiple party account should not be made. S.D. 1 accords no protection if the financial institution receives written notice; your Committee feels that they should have no protection if they have actual knowledge derived other than from such written notice.

132. Change: Sections 6-108 and 6-109 are amended by adding a reference to sections 236-24 and 6-107 and by making clear that a financial institution may not pay upon a request for payment which is inconsistent with the terms of the deposit agreement.

Reason: Your Committee does not intend for this section to change the provisions of sections 236-24 which permit a financial institution to pay out one-half of a joint account without liability unless the financial institution has knowledge under section 6-107 that payment should not be made. If a financial institution does pay out one-half of the joint account as authorized under section 236-24 without section 6-107 knowledge of any impropriety in doing so, and the remaining one-half is not sufficient to pay the sums itemized in section 6-107, the parties entitled to payment will have to proceed against the joint depositor and not against the financial institution.

133. Change: Section 6-201 is deleted.

Reason: Your Committee is reluctant to expand the common law rules regarding will substitutes.

134. Change: Section 7-101 is amended to permit registration of a trust relating to land in the judicial circuit in which the land is located.

Reason: Your Committee feels that such judicial circuit is a logical one for registration purposes.

135. Change: Section 7-201 of the Uniform Probate Code which was deleted from S.D. 1 has been reinserted with minor amendments.

Reason: Your Committee recognizes that this section may be superfluous since the circuit courts are courts of general jurisdiction, but in view of the Hawaii cases which hold that the probate judge at chambers does not have jurisdiction over the affairs

of trusts, your Committee recommends that the section be reinserted to make clear that the courts do have this jurisdiction under the Hawaii Probate Code.

136. Change: Section 7-205 is amended to retain the existing statutory fee schedule for trustees.

Reason: Whereas a statutory fee schedule based on the value of the assets being administered may not be appropriate in the case of decedent's estates in view of the nature of such proceedings as one-time endeavors, your Committee feels that such a fee schedule is appropriate in the case of a trust which entails continuing responsibility and liability. The trustee is in the nature of a businessman with a continuing obligation for the affairs of the trust, and it seems appropriate to your Committee that his compensation be based upon the amount of responsibility assumed.

137. Change: Section 7-305 of the Uniform Probate Code which was deleted from S.D. 1 has been reinserted with a reference to section 554-2.

Reason: Your Committee feels that trusts should be capable of removal from the place of registration if the best interests of the beneficiaries so dictate. Your Committee wishes to preserve the provisions of section 554-2 according beneficiaries representing a majority both in number and interest the right to designate a trustee.

138. Change: Section 7-306 is amended to (i) make the trustee personally liable on contracts unless expressly relieved therefrom and (ii) make the trustee personally liable for torts.

Reason: Your Committee's draft retains the common law rules, which rules your Committee sees no compelling reason to amend.

139. Change: Section 7-307 is amended to increase the period within which a trustee may be sued for breach of trust from six months to two years.

Reason: Two years is the existing Hawaii statute of limitations on tort actions, and your Committee sees no need to accord trustees a shorter statute.

140. Change: A new Part 4 relating to the powers of trustees is added.

Reason: Your Committee feels that some reference to the powers of trustees should be made.

141. Change: The effective date for Articles III and IV has been moved back to January 1, 1977.

Reason: These Articles require some lead time for the courts and professional fiduciaries.

142. Change: Article VIII is amended in various places.

Reason: The amendments are necessary to conform to the amendments made elsewhere in your Committee's draft.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 79, S.D. 1, as amended herein, in the form attached hereto as S.B. No. 79, S.D. 1, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Santos.

SCRep. 694-76      Public Assistance and Human Services and Labor and Public  
Employment on S.B. No. 2334-76

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, by adding a new section which would authorize the Director of the Department of Social Services and Housing to appoint and commission investigators in connection with the administration of public assistance. The records of State and county agencies would be available for inspection by these investigators, notwithstanding any provision for confidentiality.

The Department of Social Services and Housing is required under provisions of federal

and state statute to pursue cases of nonsupport by legally responsible parents. To this end, the Child Support Enforcement Program was implemented in November, 1975. In compliance with P.L. 93-647 which requires establishment of the program as a condition for receipt of federal matching funds under Title IV-A of the Social Security Act, the State program must include effective parent locator services. Federal regulations implementing P.L. 93-647 further require the Department to utilize all sources of information and records available in the State to locate absent parents. Failure to comply with these regulations may result in penalty against the State.

The enactment of this bill is necessary to insure that information contained in agency reports and records is made available to investigators for pursuing non-support claims. However, your Committees recommend amending the bill to limit such information as shall be made available to that which is necessary for locating absent parents, establishing paternity, and obtaining and enforcing court orders of support. The following types of information may be required for these purposes: corrected names and any aliases, social security number, present and former addresses, former or present employer, income information, and birth record information.

Your Committees recommend further, deletion of the provision which would allow investigators to inspect agency records. Testimony received from the Police Department objected strongly to this provision as being unnecessarily broad; information could be made available on a cooperative basis.

The enactment of this bill would confer the official status and authority of a police officer or of a deputy sheriff upon the investigators appointed and commissioned by the Director. Your Committees recognize that such powers and authority are necessary to assure access to information contained in government records, however, your Committees do not find it necessary for these investigators to carry firearms and recommend that the bill be amended accordingly. Your Committees recommend further, that the Director instruct his appointed investigators to refrain from displaying badges on their person. Testimony heard by your Committees stated that such display of badges may be intimidating to persons being interrogated.

Your Committees on Public Assistance and Human Services and Labor and Public Employment are in accord with the intent and purpose of S.B. No. 2334-76, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2334-76, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Evans, Fong and Santos.

SCRep. 695-76      Judiciary on S.B. No. 2080-76

The purpose of this Act is to amend Section 281-14, Hawaii Revised Statutes, to provide for record-keeping and destruction of old records of the liquor commission as provided in Section 46-43.

Your Committee concurs that the liquor commission should ensure that complete records relating to pertinent meetings and proceedings are kept and be made available for examination by the public. However, present law does not permit destruction of certain liquor commission records, even though some may eventually be of no value, nor do the laws provide for the transfer of the records to a central depository outside of the Commission office if such becomes practical or necessary in the future.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2080-76 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 Santos.

SCRep. 696-76      Judiciary on S.B. No. 2739-76

The purpose of this Act is to prohibit discrimination against any person on the basis of a physical handicap.

Your Committee is in agreement that the denial of educational opportunities, covenants, real estate transactions, financial assistance, choice of residency or participation in jury service for any person with a physical handicap constitutes discrimination. It

is the intent of this Act to set forth specifically the areas in which discrimination against a person with a physical handicap may result in an abridgement of that person's rights.

Your Committee recommends an amendment to this Act which adds a definition of physical handicap to the appropriate sections of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2739-76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2739-76, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Santos.

SCRep. 697-76      Labor and Public Employment on S.B. No. 1832-76

The purpose of this bill is to clarify the language of Section 76-16(14), Hawaii Revised Statutes, which deals with Civil Service and Exemptions, to reflect that positions filled by students are exempt from the Civil Service law, and to delete references to an obsolete Federal law.

Your Committee has made grammatical amendments that clarify the intent of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1832-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1832-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito and Santos.

SCRep. 698-76      Labor and Public Employment on S.B. No. 1819-76

The purpose of this bill is to increase the present maximum allowable monthly allowance of \$300 for services of an attendant to a disabled employee to an amount of not more than the product of four times the effective maximum weekly benefit rate.

The present law amended in 1971 authorizes the Director of Labor and Industrial Relations to require an employer to pay an injured worker up to \$300 a month for services of an attendant if the service is constantly necessary. A survey conducted in 1975 by the Department of Labor and Industrial Relations of private and state nursing facilities showed a gross disparity between the prevailing rates of these institutions and the maximum allowance for services of an attendant. Other considerations are the increase in the State's minimum hourly wage from \$1.60 to \$2.40. Also noted is an increase in the Honolulu Consumer Price Index from January, 1971 to June, 1975 of 31 per cent.

Your Committee finds that these indicators suggest a compelling need to increase the present \$300 maximum allowance to enable a severely disabled worker to procure, maintain, or retain the services of an attendant. The new formula will provide a maximum allowable monthly allowance of \$668.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1819-76 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito and Santos.

SCRep. 699-76      Health and Labor and Public Employment on S.B. No. 2225-76

The purpose of this bill is to amend the Prepaid Health Care Law to permit an employee to waive his right to be covered by the employer's health care plan if evidence of coverage by a prepaid health care plan is presented to the employer and to prohibit an employee from agreeing to pay more than his share of the premium.

This bill would recognize the right of those employees who prefer to retain their present plan rather than join the employer's plan.

Your Committees on Health and Labor and Public Employment are in accord with the intent and purpose of S.B. No. 2225-76, S.D. 2, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Naito, Amaral and Santos.

SCRep. 700-76      Public Assistance and Human Services on S.B. No. 2654-76

The purpose of this bill is to repeal Act 176, Session Laws of Hawaii 1937, which appropriated \$7,500 annually for the maintenance of five free maternity beds at Kapiolani Maternity and Gynecological Hospital for indigent patients.

Testimony from the Department of Social Services and Housing fully supported this bill. In recent years, the Hospital has not filed claim for reimbursement pursuant to Act 176. Public assistance recipients and others judged to be medically needy are adequately covered by Medicaid and other health care programs.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of S.B. No. 2654-76 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 Santos.

SCRep. 701-76      Health and Labor and Public Employment on S.B. No. 1820-76

The purpose of this bill is to enable employees who receive noncash remuneration to meet the wage requirement for entitlement to prepaid health care benefits.

Presently, an employee who performs services for which he receives noncash remuneration would be at a disadvantage in qualifying for health care coverage. An example is an employee who manages a group of apartment units for which he receives room and board but little or no cash remuneration. Under the Temporary Disability Insurance, Unemployment Insurance, and Workers' Compensation Laws, this employee would be covered since these laws treat remuneration in kind as wages.

This bill would permit the consideration of noncash remuneration as wages to facilitate the qualification for prepaid health care benefits.

Your Committees further believe that this bill would set aside the inconsistency that presently exists in which the Temporary Disability Insurance, Unemployment Insurance, and Workers' Compensation Laws consider remuneration in kind as wages but the Prepaid Health Care Law does not. This measure would establish a common definition of wages in the Temporary Disability Insurance, Unemployment Insurance, Workers' Compensation, and Prepaid Health Care Laws.

Your Committees on Health and Labor and Public Employment are in accord with the intent and purpose of S.B. No. 1820-76 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Amaral, Lum and Santos.

SCRep. 702-76      Labor and Public Employment on S.B. No. 2330-76

The purpose of this bill is to eliminate potential conflicts of interest on the part of attorneys representing the Hawaii Public Employment Relations Board (HPERB), by providing that an attorney employed by the board as a full-time staff member may represent the Board, and shall not be deemed to be a deputy attorney general.

Section 103-3, Hawaii Revised Statutes, provides that attorneys employed by any department on a full-time basis shall become deputy attorneys general. Because of HPERB's unique role of adjudicating cases in which the State, represented by the office of the attorney general, is a party litigant, there exists a clear danger that HPERB attorneys, if designated as deputy attorneys general, would be in a conflict of interest situation, especially on appeals in which the State and HPERB are adversaries. This bill would eliminate this potential conflict of interest.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 2330-76 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito and Santos.

SCRep. 703-76 Labor and Public Employment on S.B. No. 1830-76

The purpose of this bill is to authorize the Director of Personnel Services to make initial appointments at any step, rather than the lowest, within the appropriate salary range under certain circumstances.

Present law provides that in occupational areas where it is difficult to recruit, hiring above the minimum step is permitted. However, the lowest step within a salary range that an eligible person requests becomes the highest step that can be offered any other eligible person. Thus, a department is impeded from securing another eligible person who requests a higher step within a salary range and is better qualified for the position. This bill would correct this situation.

Your Committee has amended this bill to limit such recruitment above the minimum step to categories SR 18 and above.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1830-76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1830-76, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Santos.

SCRep. 704-76 Judiciary on S.B. No. 1561

The purpose of this Act is to amend Section 605-1, Hawaii Revised Statutes, relating to the qualifications for licensure of attorneys in the State of Hawaii.

Your Committee finds that this proposed Act is necessary at this time in order to conform present State law to the recent United States Supreme Court case In Re Griffiths, 413 U.S. 717 (1973). Under this ruling, the Court held that a rule barring resident aliens from admission to the State bar violated the equal protection clause of the 14th Amendment. This proposed Act eliminates the United States citizenship requirement from the Hawaii Supreme Court licensure provisions.

Your Committee agrees that properly qualified immigrant lawyers may provide valuable legal services to the community and may be an especially valuable resource in their ability to assist their fellow immigrants who speak the same foreign language.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1561, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Santos.

SCRep. 705-76 Judiciary on S.B. No. 2958-76 (Majority)

The purpose of this Act is to amend Chapter 663, Hawaii Revised Statutes, by adding a new section relating to comparative negligence.

In applying Section 663-31, Hawaii Revised Statutes, the trial courts are faced with the dilemma of whether to compare the negligence of the plaintiff, if any, against the negligence of each of the defendants, or against the aggregate negligence of the defendants.

Your Committee is in agreement that inasmuch as the total conduct of the defendants resulted in the harm suffered by the plaintiff, it is against the defendants' combined fault with which the plaintiff's fault should be compared.

Your Committee has amended this Act to mandate that the court instruct the jury regarding the law of comparative negligence, where applicable. Your Committee has also

amended this Act to conform Section 663-31, Hawaii Revised Statutes, to the comparative negligence laws.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2958-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Santos.

Representative Sutton did not concur.

SCRep. 706-76          Judiciary on S.B. No. 1169

The purpose of this Act is to amend Section 291C-161, Hawaii Revised Statutes, by imposing a penalty for failure of a person to respond to a summons or citation issued for a traffic violation.

This bill incorporates in the statewide Traffic Code a provision similar to Section 15-26.3, Failure to obey summons, in the Traffic Code of the City and County of Honolulu. It is the intent of this bill to provoke a prompt response to a traffic violation summons or citation on the part of the offender who would otherwise willfully disregard the issuance of such penal summons.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1169, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Santos.

SCRep. 707-76          Judiciary on S.B. No. 2526-76

The purpose of this bill is to amend Section 578-2, Hawaii Revised Statutes, relating to consent to adoption.

Your Committee concurs that consent of a legal parent should not be required for a parent of a child who has been in the custody of the petitioner for at least one year and who entered the United States of America under extraordinary circumstances in the child's country of origin. In addition, your Committee agrees that such non-consent be allowed when the identity or whereabouts of the legal parents is not reasonably ascertainable or if there is no reasonable means of obtaining evidence of the child's identity or availability for adoption.

Your Committee feels that extraordinary and particular circumstances, as recently witnessed in Vietnam, have resulted in the need for re-examination and necessary modification of State laws concerning adoption which may avoid needless legal entanglement and emotional frustration on the part of adoptive parents.

Your Committee proposes an amendment to delete notice requirements to "any man whose name appears as father on the child's birth certificate."

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2526-76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2526-76, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Santos.

SCRep. 708-76          Finance on S.B. No. 1191

The purpose of this bill is to affirm county authority to enact improvement district ordinances for the making and financing of special benefits and improvements in the county.

Under present provisions, the bond counsel for the counties has suggested that the enactment of improvement district ordinances pursuant to county charter may be subject to question. The intent of this bill is to remove this doubt by providing for specific

authorization under general law applicable to all counties for the enactment of improvement district ordinances.

This bill also provides that prior ordinances for special benefits or improvements and assessments are expressly ratified, validated, approved, and confirmed by the legislature.

Your Committee has revised this bill by deleting the following language appearing on page 1, lines 9 through 16: "in lieu of being made under any other state statutory provision. Except as hereinafter otherwise provided in this section, the cost of any special benefit or improvement made under such an ordinance, including the cost (if not assumed by the county in the manner provided in said ordinance) of acquiring, whether prior to or after the commencement of the proceedings for the benefits or improvements, any new land therefor, shall be assessed against the priorities specially benefited or improved."

Your Committee has also stricken the language: "and the county council may create, define, and establish frontage improvements, urban districts, or improvement districts, all according to and in the manner prescribed by such ordinance" from page 2, lines 2 to 5. The reference on page 2, line 21, is changed from "section 2" to read "section 1".

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1191, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1191, H.D. 2.

Signed by all members of the Committee except Representative Amaral.

SCRep. 709-76      Environmental Protection on S.B. No. 2545-76

The purpose of this Act is to clarify the regulatory responsibilities of state and county agencies in regard to maintenance, repair, and improvement of fishponds.

Your Committee finds that fishpond owners who wish to maintain and refurbish fishponds in their natural state must obtain permission through a cumbersome and inefficient system. The additions of the terms "strengthening" and "reinforcement" to present regulations will facilitate the conservation of these natural sites.

Your Committee is in accord with the intent and purpose of S.B. No. 2545-76 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 710-76      Higher Education and Health on S.B. No. 1187

The purpose of this bill is to assist residents of Hawaii to obtain a dental education through bilateral contracts with dental schools in other states.

This program is similar to the WICHE program, except that the director of budget and finance will negotiate the bilateral contracts outside the WICHE area.

Your Committee would like to make clear that the appropriation of \$39,000 for the purposes of this Act is for one year and that subsequent appropriations must be approved by the State Legislature.

Your Committee has amended the bill to specify that students seeking participation in this program shall be required upon completion of the student's dental education to actively engage in professional practice in areas with inadequate dental service in the State of Hawaii.

Your Committees on Higher Education and Health are in accord with the intent and purpose of S.B. No. 1187, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1187, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Abercrombie, Lee, Yamada, Amaral, Clarke, Evans, Hakoda and Santos.

SCRep. 711-76      Judiciary and Consumer Protection and Commerce on  
S.B. No. 1775-76 (Majority)

The purpose of this bill is to clarify the relationship between prepaid legal services and statutory regulation and taxation. This bill provides for the regulation of prepaid legal services by the department or regulatory agencies by subjecting prepaid legal service plans to consumer protective legislation; by requiring public filing requirements with a statement of the plan's financial structure, benefits, terms and conditions and other required information; by protecting accumulated funds by requiring the filing of a bond or security in lieu of a bond; by requiring an annual exhibit; by controlling investments of the plan; and by providing a penalty for failure to comply with the new law. The bill further provides that prepaid plans are not insurance unless offered by an insurance company. The bill clarifies the income taxation of such prepaid plans by providing that plans offered by certain tax exempt organizations are themselves tax exempt and by providing that the value of legal services provided by a plan to a taxpayer are not taxable to the taxpayer, that amounts paid to a taxpayer to reimburse him for legal services are not taxable to the taxpayer and by providing that contributions of an employer to a plan are not taxable to his employees. Lastly, the bill provides that plans offered by exempt organizations are themselves exempt from general excise taxation.

Prepaid legal service plans are a method by which legal services may be provided to lower and middle income persons at a price they can afford. A prepaid legal service plan is a plan between a group of consumers and one or more attorneys in which the attorneys agree to provide certain legal services to the group. Through formation of a group of consumers, these legal services are provided at a lower price than would be available on an individual basis. In addition, the prepaid legal service plans are a method by which legal services may be afforded to lower and middle income persons at a price they can afford. A prepaid legal service plan is a group legal service plan in which the cost of the services have been prepaid by the group member or by some other person or organization in the member's behalf. A group legal service plan means a prepaid plan by which legal services are rendered to individual members of a group identifiable in terms of some common interest.

Your Committees have amended the bill to provide that individual members be afforded freedom of choice in the selection of their own attorney or attorneys to provide legal services under such plan. Also, your Committees have amended the bill to provide for the payment of equal amounts for the cost of services rendered without regard to the identity of the attorney or attorneys selected by the plan member or members, and to further provide that no plan discriminate on the basis of such selection.

Your Committees find that prepaid legal service plans are a growing method of providing legal services on the mainland and that such plans are now being formed in Hawaii. The report of the Office of the Legislative Reference Bureau concerning Prepaid Legal Services and Hawaii found that 17 per cent of the labor unions and 11 per cent of the credit unions answering their questionnaire indicated plans for the formation of prepaid plans within three years. The report further found that there are approximately 200,000 persons between the income levels of \$7,000 and \$20,000 who are the persons to which these plans are directed. Further, there are 130,000 persons with incomes over \$15,000 but less than \$75,000 who may also be potential users of these plans. The possibility also exists that some persons entering these plans may presently be otherwise eligible for legal aid or a similar service and such plans will therefore provide relief for these overburdened agencies.

Prepaid legal service plans appear to your Committees to benefit both the people of Hawaii and the legal profession of Hawaii. Such plans are now in the formative and experimental stage of development and your Committees find that overburdensome regulation at this stage would not encourage the growth necessary of such plans. Therefore, your Committees are in favor of this bill which provides that prepaid plans shall not be treated as insurance unless an insurance company is involved. Your Committees do not feel that the requirement of large paid-in capital or surplus, rate schedule filings, and similar regulation is necessary at this stage of the development of prepaid legal service plans.

Your Committees also find that the tax treatment of prepaid plans should be similar to prepaid medical plans now operating in Hawaii. The bill so provides and your Committees are in favor of such provisions.

Your Committees on Judiciary and Consumer Protection are in accord with the intent and purpose of S.B. No. 1775-76, S.D. 1, as amended herein, and recommend that

it pass Second Reading in the form attached hereto as S.B. No. 1775-76, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Signed by all members of the Committees except Representatives Cobb and Santos.

Representative Sutton did not concur.

SCRep. 712-76          Judiciary on S.B. No. 2932-76

The purpose of this bill is to provide for a twelfth judge for the District Court of the First Circuit primarily to hear landlord-tenant and small claims matters.

Your Committee agrees that this bill intends to alleviate the workload of the one District Court judge who must hear both traffic trials and landlord-tenant and small claims matters. The addition of another judge to the complement of the District Court of the First Circuit would enable that Court to bring its trials to a more current basis. Furthermore, uniformity in decisions in landlord-tenant cases will hopefully be achieved by the passage of this bill. To achieve that uniformity, your Committee recommends that the twelfth judge submit written decision in appropriate cases.

This bill anticipates a request for a twelfth judge which the Department of the Judiciary had planned to make in its 1977-79 budget request.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2932-76, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cobb, Carroll and Santos.

SCRep. 713-76          Housing on S.B. No. 1758-76

The purpose of this bill is to make improvements in numerous aspects of the housing development program conducted by the Hawaii Housing Authority pursuant to chapters 356, 359, and 359G, Hawaii Revised Statutes. In addition to substantive changes, the bill contains many style changes, designed to correct labyrinthine and obfuscating language.

Upon consideration of this bill, your Committee has made the following amendments:

1.    page 3, line 21 - The words "26-34 and" have been deleted.
2.    page 9 - A definition for "eligible bidder" has been added.
3.    page 9, line 7 - After the word "firm" there have been added the words "non-profit or profit"; and after the word "corporation" there have been added the words "or public agency".
4.    pages 11 and 12 - The definitions for "new residential mortgage" and "self-help housing program" have been deleted.
5.    page 13 - There has been added a new subsection to read as follows:  
       "Section 359G-3.1 is amended to read:  
       'Sec. 359G-3.1 Housing assistance unit. The governor by executive order may establish a housing [information,] counseling, and referral unit within the [Hawaii Housing] Authority. The unit shall be responsible for providing [housing information on any private, state, county, or federal housing project, for providing] counseling to prospective homeowners seeking to purchase a home, and for providing listing and referral services to tenants seeking to rent homes.'
6.    page 25, line 5 - \$150,000,000 has been deleted and \$125,000,000 has been inserted in its place.
7.    page 34, line 10 - There has been added after the word "unit" the words "free and clear of all liens and encumbrances".

8. page 34, line 17 - After the word "year", there has been added the following: "provided that the authority may purchase the unit subject to existing mortgages on the unit at a price which shall not exceed the above sum less the outstanding balance of the existing mortgages to be assumed by the authority".
9. page 36 - Lines 13 to 20 have been deleted and the following inserted: "to a mortgage foreclosure, foreclosure under power of sale, or conveyance in lieu of foreclosure after a foreclosure action is commenced. Any law to the contrary notwithstanding, a mortgagee under a mortgage covering a dwelling unit and land or leasehold interest encumbered by the first option to purchase in favor of the authority shall, prior to commencing mortgage foreclosure proceedings, notify the authority of (1) any default of the mortgagor under the mortgage within ninety days after the occurrence of the default, and (2) any intention of the mortgagee to foreclose the mortgage under chapter 667. The authority shall be a party to any foreclosure action, and shall be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record; provided that the person in default shall be entitled to an amount which shall not exceed the sum of subparagraphs (a)(1)(B) and (C) and the purchaser's equity in the property."
10. page 44, line 11 - The word "financing" has been deleted and has been replaced by the word "development".
11. page 49, line 15 - After "\$10,000,000" the definition for "self-help housing program" has been added.
12. page 58, line 19 - After the word "trends" there have been added the words "and federal housing programs".
13. pages 60 to 63 - SECTION 6 has been deleted in its entirety.
14. Other technical amendments have been made without change in substance.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1758-76, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1758-76, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 714-76            Consumer Protection and Commerce on S.B. No. 1836-76  
(Majority)

The purpose of this bill is to permit the director of the department of regulatory agencies to appoint a departmental hearings officer and a complaints officer not subject to chapters 76 and 77, Hawaii Revised Statutes, and to supplement the power of the hearings officer by allowing him to issue subpoenas and administer oaths to witnesses.

Presently, the director of the department of regulatory agencies may appoint a hearings officer to hear and decide any case or controversy regarding licenses and the application and enforcement of rules and regulations involving any of the boards and commissions within the department of regulatory agencies. However, the status of the hearings officer is not clear. Because the position requires an attorney with knowledge of administrative law, this bill exempts the hearings officer from chapters 76 and 77.

Authorizing the hearings officer to issue subpoenas and administer oaths is consistent with the powers granted to the boards and commissions on whose behalf the hearings officer acts.

The position of complaints officer authorized by this bill is to expedite the investigation and resolution of the numerous complaints that are received by the department of regulatory agencies. The duties of the complaints officer would include furnishing legal guidance to investigators and executive secretaries with a view toward prompt resolution of citizen complaints, assisting in the presentation of contested cases before the proper adjudicative body, reporting to the director on the complaint resolution procedures utilized by the various boards and commissions and recommending possible changes to board rules, statutes or policies to enhance consumer protection. Because of the specialized nature of the position and the need for prompt action to consumer complaints, this bill exempts the position from chapters 76 and 77.

This bill also amends the law to require that review of the decisions of the hearings officer by boards and commissions be conducted by conformity with chapter 91.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1836-76 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representatives Carroll and Sutton did not concur.

SCRep. 715-76      Water, Land Use, Development, and Hawaiian Homes on  
S.B. No. 2909-76

The purpose of this Act is to provide for historic preservation, enabling the State to take a strong leadership position in protecting its own historic properties. The State would reserve the right of ownership and control of historic property located on lands or under waters owned or controlled by the State. New finds of historic places would be reported to the Department of Land and Natural Resources by other government agencies to allow for investigation and recording, preservation or salvage.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2909-76, and recommends that it pass Second Reading and be referred to the Committee on Culture and Arts.

Signed by all members of the Committee except Representatives Abercrombie, Morioka, Fong and Ikeda.

SCRep. 716-76      Housing and Water, Land Use, Development, and Hawaiian  
Homes on S.B. No. 714 (Majority)

The purpose of this bill is to provide a means whereby owners of separate parcels of real property may voluntarily assemble, develop and rehabilitate their lots under a joint undertaking, and thereafter receive their pro rata share in the project.

There are many areas in the State, particularly on Oahu, where lot sizes are of such odd shapes and small sizes that redevelopment would be discouraged, if not prohibited, under present zoning ordinances and policies. These areas are restricted to urban renewal and condemnation as the only means for the redevelopment or reconstruction of existing residential property. Many of the residents of these areas are adverse to relocation which such approaches entail; however, without a workable program to correct obsolescent road and lot patterns in our older neighborhoods, property owners individually cannot upgrade their holdings. Whole neighborhoods thereby suffer from the continuation of the substandard conditions. Residents of these neighborhoods are deserving of some flexibility which would allow them to retain their present residence and yet make collective improvements.

Japan's land readjustment law, which was extensively studied by your Committees, offers a concept which, if applied in the State, would serve as an alternative to urban development involving government condemnation of private property. Through land readjustment of existing urban land areas and where adjoining property owners within a given area have been willing to undertake replacing deteriorated houses and rebuilding with affordable and acceptable housing units, Japan has made remarkable progress in upgrading their urban districts. This bill incorporates the basic principles of Japan's land readjustment program, but has adapted it to suit the needs of the State.

While residents of Hawaii may presently assemble their properties under existing county ordinances, the passage of this bill would provide essential State financial and technical assistance. Additionally, it would provide property owners with specific guidelines to follow in carrying out a readjustment project.

This bill requires a minimum of three property owners each owning land in the proposed real property readjustment district to form an association. After securing the required membership, the association may petition the Hawaii Housing Authority to designate their areas as a land readjustment district. To be submitted with the petition shall be a preliminary development plan outlining in general terms, their proposal for the development of the readjustment area.

If the Authority deems that the project fulfills all requirements, it shall grant the

petition, designate the area as a real property readjustment district, and the association shall be authorized to proceed with the final development plan. Once a land readjustment district is designated, the association shall appoint with the approval of the Authority, a trustee whose principal duties would involve the coordination and execution of the development plan. Upon his appointment, the owners shall convey their properties to the trustee to be held in irrevocable trust for the benefit of the owners.

After all the property within a readjustment district has been assembled by the trustee, an appraiser shall be selected by mutual agreement between the Authority and the association. The said appraiser would determine the fair market value of all properties, rounded to the nearest \$500. For each \$500 of property value, an association member shall be given one pro rata share. Voting rights as well as development and financing would be based on these pro rata shares held. On completion of the development plan, an appraisal shall be made of all properties in the real property readjustment district that are not retained for public use. By conveyance from the trustee, each association member and the authority would thereafter receive his pro rata share of the real property readjustment district.

Upon consideration of this bill your Committees have deleted SECTION 2 which pertains to financing. It is the intent of your Committees that funding for this program be withheld until such time that rules are adopted by the Hawaii Housing Authority pursuant to Chapter 91, Hawaii Revised Statutes. Subsequent to adoption of rules, funds may be appropriated.

Your Committees on Housing and Water, Land Use, Development, and Hawaiian Homes are in accord with the intent and purpose of S.B. No. 714, S.D. 1, H.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 714, S.D. 1, H.D. 3.

Signed by all members of the Committees.

Representatives Clarke, Fong, Larsen and Sutton.

SCRep. 717-76      Tourism on S.B. No. 2139-76

The purpose of the bill is to establish broad policy guidelines relating to tourism, as well as consolidate existing industry statutory references to tourism under a single chapter heading.

Your Committee finds that it is necessary to establish by statute the visitor industry goals and objectives of the State. This bill reflects the commitment of your Committee to reconcile the sometimes competing needs of the visitor and the resident.

Your Committee is aware of the development of the state plan under Chapter 225, Hawaii Revised Statutes which would include policies relating to tourism. It is your Committee's desire that, in developing that portion of the state plan relating to tourism, the Department of Planning and Economic Development use this tourism policy as a guideline and a basis for policy recommendations of the state plan.

The amendments your Committee has made to S.B. 2139-76, S.D. 1 generally reflect your Committee's concern over the state's relationship to the visitor industry development. Strong leadership is required to integrate and coordinate the development and expansion of tourism. Therefore, your Committee has provided for a tourism coordinator whose primary responsibility is to coordinate the activities of public and private agencies involved in the tourist industry.

To clarify the direction and the goals of the policies set forth in the bill, your Committee has explicitly stated four goals for the tourism policy. These goals include visitor satisfaction through quality service, protection of the environment, preservation and enrichment of social and cultural heritage of Hawaii and the economic health of the visitor industry.

Because the visitor industry is a labor intensive industry, the policy of full and optimal employment has been included.

The present and future relationship between the state government and the visitor industry is of great concern to your Committee. Much of the growth of the visitor industry rests with the attitude of government to either encourage or discourage development through governmental requirements such as building codes, taxation, expansion of government services, and other such actions affecting the industry. Your Committee

believes that encouragement should be provided for promoting the growth of the industry. However, your Committee also feels that the industry must be a contributing member of the community and should be responsible for assuming a proportionate share of the social, economic and cultural costs of expansion.

Specifically, your Committee has amended S.B. 2139-76, S.D. 1 as follows:

1. Definitions. Your Committee has added two definitions to S.B. No. 2139-76. These are "tourism promotional organizations" and "tourism coordinator."
2. Policy. Your Committee has amended the section by:
  - a. Adding a statement of four objectives of the tourism policy plan which are (1) to provide an optimum of satisfaction and high quality service to visitors; (2) to protect the natural beauty of Hawaii; (3) to preserve and enrich the understanding of our native heritage and the social and cultural contributions of all ethnic groups; (4) to sustain the economic health of the visitor industry to the extent compatible with the other objectives.
  - b. Adding a provision for possible government assistance to the tourist industry development including raising capital, government guaranteed loans, tax alternatives, land development and other methods of encouraging development.
  - c. Adding as a policy, full and optimal employment.
3. Integration and development of tourism. This section has been amended by authorizing the tourism coordinator to plan for the integrated and coordinated development and expansion of tourism in the State and perform such operational functions and duties necessary to bring about coordination and integration. The Senate bill authorized the director of planning and economic development to assume this responsibility.
4. Duties and conditions. This section has been amended to allow the tourism coordinator to enter into contracts with the Hawaii Visitors Bureau and other tourism promotional organizations.
5. Terms and conditions of contract. This section has been amended to allow the tourism coordinator to determine the terms of contracts executed with tourism promotional organizations other than the Hawaii Visitors Bureau.

Your Committee on Tourism is in accord with the intent and purpose of S.B. 2139-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2139-76, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morioka, Abercrombie, Kawakami, Uechi, Amaral, Kamalii and Santos.

SCRep. 718-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 430

The purpose of this Resolution is to request that the petition of the Matter of Classification and Districting of Certain Lands at Lihue, Island of Kauai, Petition Docket No. A75-397, HRT, Ltd., and Lihue Plantation Company be denied.

HRT, Ltd. already owns and controls the largest shopping center in Lihue and of the island, as well as the majority of prime commercial lots in Lihue. Also, HRT has not substantiated the need for the amount of new commercial lands as presented during the public hearing of their petition in accordance to Chapter 205, HRS, and the Land Use Commission's Rules and Regulations.

Since the Land Use Commission reclassified the area from Urban to Agriculture in 1975, your Committee feels that conditions have not changed to warrant a reclassification.

The Resolution has been amended to include the sending of copies to the Chairman of the Kauai County Council and Council members.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.R. No. 430, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 430, H.D. 1.

Signed by all members of the Committee except Representatives Morioka and Ikeda.

SCRep. 719-76      Water, Land Use, Development, and Hawaiian Homes on  
S.B. No. 1949-76

The purpose of this Act is to amend Chapter 225, Hawaii Revised Statutes to include the superintendent of education and the executive director of the hawaii housing authority, as well as the directors or chairmen from the departments of health, social services and housing, and from the office of environmental quality control as members of the policy council.

The bill charges the director of the policy council with the responsibility of holding additional hearings not less than six months prior to finalization and submission of the State Plan to the Legislature. In addition to these public hearings, it is your Committee's intent that the policy council hold information meetings including workshops for the Legislature and the public. Your Committee would like the department of planning and economic development to make every effort to formulate the State Plan pursuant to Act 189, with emphasis placed upon the development of a quality product rather than upon the time constraints imposed.

The bill has been amended to require the status report to be submitted semi-annually instead of quarterly.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1949-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1949-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Abercrombie, Morioka, Fong and Ikeda.

SCRep. 720-76      Energy and Transportation on S.B. No. 2267-76

The purpose of this Bill is to allow the Department of Transportation to establish developmental rates for the renting or leasing of State airport facilities for general aviation activities.

Your Committee has heard favorable testimony from the Department of Transportation and the General Aviation Council of Hawaii on the merits of this Bill.

Your Committee on Energy and Transportation is in accord with the intent and purpose of S.B. No. 2267-76, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Clarke.

SCRep. 721-76      Energy and Transportation on S.B. No. 2467-76

The purpose of this Bill is to provide tax incentives for energy conservation.

Your Committee has amended this Bill by extending the real property tax exemption to alternate energy improvements and by deleting the subsection on income tax credit.

Your Committee on Energy and Transportation is in accord with the intent and purpose of S.B. No. 2467-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2467-76, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Clarke.

SCRep. 722-76 Health and Labor and Public Employment on S.B. No. 1821-76

The purpose of this Act is to allow an employer who has prepaid the premium for health care coverage to deduct, in cases of separation, the employee's share of the premium from the employee's last paycheck or to seek other appropriate means to recover the premium. Recoupment would be limited to the lesser of 1.5 percent of the employee's wages.

Your Committees have amended this bill so that the employer would be able to withhold from the last salary or wages of a voluntarily separated employee, an amount not exceeding one-half of the premium cost. This amendment would protect the employer from unreasonable losses should a large number of employees for whom premium prepayment was made, voluntarily leave their employment.

Further, your Committees have amended the right to recover an employee's share of the premium cost as not applicable in a case where the employer dismisses the employee or causes the separation of the employee.

Your Committees on Health and Labor and Public Employment are in accord with the intent and purpose of S.B. No. 1821-76, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1821-76, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives  
Naito, Amaral and Santos.

SCRep. 723-76 Consumer Protection and Commerce on S.B. No. 1328

The purpose of this bill is to assure the accuracy of the odometer system installed in certain passenger cars introduced into the state for use, sale or resale, lease or release, rental or rerelease, and export.

To accomplish this end, the bill compiles present laws regarding odometers which are scattered throughout the Hawaii Revised Statutes and places them in one chapter; provides adequate enforcement powers to the director of agriculture; clears up ambiguities between federal and state law; and provides civil relief to aggrieved parties.

Specifically, the bill provides, among other things:

- (1) For the detention of an offending motor vehicle for up to 96 hours, or more by order of court, and for the confiscation of any tools designed to alter the display of an odometer. Under present law there is no provision for the taking or holding of evidence to support prosecution.
- (2) For a self-extinguishing revolving fund which is to be utilized in the implementation and enforcement of the chapter. Your Committee heard testimony that currently, a lack of funds and personnel is a contributory factor in making the apprehension of violators and enforcement of the present odometer laws difficult, particularly on the neighbor islands.
- (3) That a civil action may be brought by an aggrieved party against a violator to recover three times the damages sustained or \$1,500, whichever is the greater amount.
- (4) That the odometer reading and mileage history of a vehicle must be disclosed to a buyer of the vehicle.
- (5) That any 1972 or newer vehicle must have its odometer verified upon initial sale or introduction into the state and such readings entered upon the certificate of ownership. Further, that upon each subsequent title transfer, the seller is required to enter upon the certificate of ownership, the odometer information at the time of the sale. In effect, this combines the certificate of ownership and the certificate of accuracy into a single legal document, and your Committee feels that this will minimize confusion and time spent incident to legitimate transactions.

In order to accomplish the compilation of laws regarding odometers into one chapter, the bill repeals the present odometer-related laws found in chapter 292, and sections 291-38 and 476-35.1.

Your Committee on Consumer Protection and Commerce is in accord with the intent

and purpose of S.B. No. 1328, S.D. 3, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fong.

SCRep. 724-76      Water, Land Use, Development, and Hawaiian Homes on  
S.B. No. 1793-76

The purpose of this Act is to assure that the State retains primary enforcement responsibility of the National Pollutant Discharge Elimination System (NPDES) permit program in Hawaii by amending HRS Chapter 342 to more closely conform to the requirements set forth in Section 402 of the Federal Water Pollution Control Act.

The federal act deals with the discharge of substances into the water. One of the major goals of the Federal Water Pollution Control Act, Amendments of 1972, was to move from enforcement based solely on water quality standards, which had proven very difficult, to effluent emission limitations, and the present NPDES permit system embodies a stress on discharge limits independent of showings of water quality change.

The State act could be construed to require a showing that the discharge of substances detrimentally affects water quality. However, if Hawaii Revised Statutes Chapter 342 is construed to require a showing of harm to water quality, it would severely jeopardize Hawaii's present primary enforcement responsibility with respect to NPDES permits. Your Committee feels that Chapter 342 should be amended to avoid such interpretation to insure conformity with the federal act.

Your Committee suggests the following amendments, to read:

Section 342-31, Hawaii Revised Statutes, is amended to read:

"(10) "Pollutant" means sewage, heat, industrial, municipal, agricultural, biological, and chemical materials, excessive noise, and all liquids, gaseous, and solid substances, including radioactive substances, whether treated or not."

Subsection "(11)", definition of "Waste" has been deleted in entirety.

A new "SECTION 2" has been added to read as follows:

"SECTION 2. Section 342-32, Hawaii Revised Statutes, is amended by amending subsection (1) to read:

(1) Establish by rule or regulation water quality standards, effluent standards, treatment and pretreatment standards, [and] standards of performance for specific areas and types of discharges in the control of water pollution, thereby allowing for varying local conditions[; ], and National Pollutant Discharge Elimination System permit program limits allowable by Federal law."

SECTION 2 has been renumbered as "SECTION 3" and will read as follows:

"SECTION 3. Section 342-33, Hawaii Revised Statutes, is amended to read:

Sec. 342-33 Prohibition. No person, including any public body, shall [use any state waters for the disposal of waste or engage in activity which causes state waters to become polluted,] discharge any pollutant into state waters, or cause or allow any pollutant to enter state waters, or violate any water quality permit or term or condition thereof [without first securing approval in writing from the director.] except as in compliance with the provisions of this chapter, rules and regulations promulgated pursuant to this chapter, or a permit issued by the director."

SECTION 3 has been renumbered as "SECTION 4".

SECTION 4 has been renumbered as "SECTION 5".

SECTION 5 has been renumbered as "SECTION 6".

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord

with the intent and purpose of S.B. No. 1793-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1793-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Abercrombie, Morioka, Fong and Ikeda.

SCRep. 725-76 Consumer Protection and Commerce on S.B. No. 2140-76

The purpose of this bill is to authorize consumers to waive in writing the existing statutory requirement that a written price estimate must be furnished to the consumer before performing motor vehicle repairs.

Your Committee heard testimony indicating that the present statutory requirement can sometimes be impractical and inconvenient for consumers. Many consumers who regularly patronize certain repair dealers and have established good business relationships with such dealers, would rather authorize repairs and rely on the good faith of the dealers without the necessity of first obtaining the written estimate.

As referred to your Committee, the bill required the waiver to be in the customer's handwriting. However, this requirement is somewhat contradictory in light of the provisions requiring the form and content of the waiver to be as prescribed by the motor vehicle repair industry board and, therefore, the bill has been amended to delete this requirement.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2140-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2140-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 726-76 Consumer Protection and Commerce on S.B. No. 1784-76

The purpose of this bill is to repeal the existing law which requires the Office of Consumer Protection to provide counsel for indigent tenants when notified by the court and to authorize that office to receive, investigate and mediate any disputes arising under Chapter 521, Hawaii Revised Statutes (the Residential Landlord-Tenant Code).

Under the present law, when a landlord brings a proceeding against a tenant under the provisions of the Landlord-Tenant Code and the court finds that the tenant is unable to afford counsel and is unable to obtain counsel through a nonprofit organization, the court may appoint the Office of Consumer Protection as counsel for the indigent tenant. Recently, an opinion of the Disciplinary Board of the Hawaii Supreme Court (Opinion 76-2-6), in applying this requirement with what had been the practice of the Office of Consumer Protection in providing assistance to both landlords and tenants and attempting to resolve disputes, severely restricted such activities of that office.

Your Committee feels that the Office of Consumer Protection was providing a valuable service to both landlords and tenants in providing information as to the rights and duties of each under the Residential Landlord-Tenant Code and attempting to resolve landlord-tenant disputes. This bill would allow that office to continue to offer such services by repealing the law requiring the Office of Consumer Protection to provide counsel for indigent tenants, thus removing the possible conflict of interest situation caused by the present law. In repealing the law, your Committee has taken into account the fact that the Legal Aid Society is authorized to represent indigent tenants in landlord-tenant disputes. Your Committee feels that the public interest will be better served by allowing the Office of Consumer Protection to provide advice and attempt to informally resolve disputes with the Legal Aid Society providing counsel for indigent tenants when cases reach the stage of court actions.

The bill also clarifies the powers of the Office of Consumer Protection by amending Chapter 521 to specifically authorize that office to receive, investigate and attempt to resolve landlord-tenant disputes. This section of the bill has been amended by substituting the words "attempt to resolve" for the word "mediate" as your Committee feels that this more accurately reflects the activities of that office in informally adjusting disputes.

Your Committee is in accord with the intent and purpose of S.B. No. 1784-76, S.D.

2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1784-76, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 727-76      Consumer Protection and Commerce on S.B. No. 1786-76  
(Majority)

The purpose of this bill is to enable the Office of Consumer Protection to obtain restitution for consumers who file complaints with the agency even after a law suit has been filed with the court.

Last session, the Legislature passed Act 99 which was intended to grant to the courts discretionary powers to afford restitution to consumers who sustain damage as a result of an unlawful act which is the subject of an action filed by the Office of Consumer Protection. Since enactment, this provision has proven to be restrictive in its scope, and denies certain consumers restitution.

As referred to your Committee, the bill repealed Section 487-14, Hawaii Revised Statutes, which specifically authorizes the courts to order restitution to consumers who complained to the Office of Consumer Protection prior to the initiation of court action by that office. This action was taken on the theory that the courts possess inherent powers to order restitution and upon repeal of the statute, the courts would not be limited to ordering restitution only for those consumers who complained prior to the filing of an action.

However, your Committee is of the opinion that it would be preferable to have specific statutory authority for the courts to effect restitution. To that end, the bill has been amended to amend, rather than repeal, Section 487-14, to authorize the courts to order restitution to consumers who testify in the prosecution of the action brought by the Office of Consumer Protection. As amended, the bill gives statutory authority to the courts without limiting restitution only to those consumers who complained to the Office of Consumer Protection prior to the initiation of an action.

The bill has also been amended to omit the word "any" in line 5 of the bill as surplusage.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1786-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1786-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representatives Carroll and Sutton did not concur.

SCRep. 728-76      Judiciary on S.B. No. 2933-76

The purpose of this bill is to permit the Director of Social Services and Housing to hold a person at the Youth Correctional Facility after he reaches age eighteen, not to extend beyond age nineteen, if the Family Court orders him placed at the Youth Correctional Facility. At present, jurisdiction of the Director of Social Services and Housing ceases when a child achieves age eighteen.

The change is necessary because another bill, S.B. 2527-76, S.D. 1, also considered by this Committee, would amend the Family Court Act, Chapter 571, Hawaii Revised Statutes, to provide that it can retain jurisdiction over a child for a period after he achieves age eighteen for a period not to extend beyond age nineteen. Conceivably action by the Court might include placement or transfer of legal custody to the Hawaii Youth Correctional Facility for a period up to age eighteen.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2933-76, 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 except Representative Santos.

SCRep. 729-76      Judiciary on S.B. No. 2527-76

The purpose of this bill is to improve the Family Court's capacity to deal with children under its jurisdiction and to conform the procedure to terminate parental rights to Chapter 578 relating to Adoption.

This would be accomplished by amending Chapter 571 relating to Family Courts.

The major changes sought are:

(1) Redefine the jurisdiction of the Family Court over children in need of supervision such as truancy, runaway or parental neglect as distinguished from children committing violations of federal, state or local ordinances.

(2) Extend the jurisdiction of the Family Court over a person past the age of 18 but not beyond age 19, in order that the Family Court has enough time to work with a child under its jurisdiction.

(3) Give the Family Court the authority when a child is brought to a detention facility by a police officer, to require where appropriate, his parent, guardian, legal custodian or other responsible adult to accept his physical custody and to order a police officer or other person to transport the child to his home.

Other amendments made have been in form rather than substance including: (1) amending references to "minor" to "child", (2) a broader statement of purpose, (3) conforming Sections 571-31 and 571-71, Hawaii Revised Statutes, as to the circumstances under which a police officer may detain a child, (4) changing the burden of a preponderance of evidence to proof beyond a reasonable doubt, already adhered to by the Family Court rule, (5) providing for hearing of cases involving traffic violations by children by district courts with the same rules applicable to Family Court, (Section 10, amending Section 571-42, and (6) providing that legal custody of children, by order of court can be vested in public agencies and private agencies approved by the court as well as the Department of Social Services and Housing (Section 11 amending 571-48).

The bill would also seek to tie the termination of parental rights to the provisions of the adoption statute. To terminate parental rights, a new requirement is stated, providing that notice including time and place of hearing, is to be given to a natural but not legal father but who is an adjudicated, presumed and concerned father as defined in Chapter 578 relating to adoption, and to any natural father who is not the child's legal, adjudicated, presumed or concerned father, that either he is unknown or if known has not shown a reasonable degree of interest in the child, and must be given to an unknown, non-ascertainable or non-concerned father for a petition to terminate parental rights.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2527-76, 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 except Representative Santos.

SCRep. 730-76      Finance on S.B. No. 1807-76

The purpose of this bill is to accord civil service status to certain exempt positions in the Department of Defense which are non-military in character.

The Department of Defense has identified seven exempt positions that would be more appropriately classified under civil service.

This bill is similar to H.B. No. 2162-76 on which your Committee heard testimony on March 10, 1976.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1807-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 731-76      Finance on S.B. No. 1831-76

The purpose of this bill is to specifically indicate in the Hawaii Revised Statutes, that positions filled by inmates, kokua, patients, and students of state institutions, and persons with severe physical or mental handicaps participating on work experience training programs, are not entitled to accumulate and use vacation leave.

Vacation leave affords permanent employees opportunities for rest and relaxation and for attention to personal business. Work of a casual and temporary nature by students and by other persons in similar positions are not in line with the concept for granting vacation leave.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1831-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 732-76          Finance on S.B. No. 2031-76

The purpose of this bill is to authorize public employees to observe a State holiday which falls on Saturday on the preceding Friday.

In 1977, two State holidays, Kuhio Day and Kamehameha Day will fall on a Saturday. Since these holidays are not national holidays, the holidays will have to be observed on a Saturday. Presently, however, employees covered by collective bargaining agreements will observe these holidays on the preceding Friday.

The intent of this bill is to provide statutory authorization for all State and county employees to observe these holidays on the preceding Friday.

This bill is similar to H.B. No. 2342-76 on which your Committee heard testimony on March 13, 1976.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2031-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 733-76          Judiciary on S.B. No. 528

The purpose of this bill is to remove the Judiciary from the inappropriate role of having to make determinations about certain trial expenses in criminal cases which in effect determine the quality of the case the prosecution or the defense presents at trial.

At present, the courts have an account titled "Legal Expenses" which is looked to by both the prosecutor and indigent defendants to pay for witness expenses, transcript costs in the case of indigent defendants and investigatory, expert and other services. In managing the funds, the courts are called upon to pass on the reasonableness of making the requested expenditures. The responsibility for obtaining and expending the necessary funds for trial expenses should be left to the prosecutor's office and the public defender's office and not with the courts.

Your Committee has amended this bill to provide that the effective date will be July 1, 1977 to coincide with the effective date of the next biennial budget. This change will preclude the need to transfer funds at this time. That date will also give the Supreme Court an opportunity to review and revise the rules related to the subject matter of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 528, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Lee, Uechi, Carroll and Santos.

SCRep. 734-76          Judiciary on S.B. No. 1853-76

The purpose of this bill is to amend the present law with respect to the definition

of "bicycle" to include motorized bicycles ("MOPED"), to set the minimum age of operating a bicycle equipped with a motor to fifteen years of age; to clarify the right of riding on roadways and bicycle paths; and to define the safety requirements of a bicycle equipped with a motor.

Your Committee has amended this bill to restrict the riding of a bicycle equipped with a motor to one person only. In addition, your Committee has deleted the provision that prohibits a person riding a bicycle equipped with a motor on any bike path or bike lane.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1853-76, S.D. 1, H.D. 1, as amended herein, 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 Santos.

SCRep. 735-76      Health on S.B. No. 251

The purpose of this bill is to insure that the Hawaii Tumor Registry will be able to receive reports of cancer diagnosed or treated in the State.

Testimony submitted by the Department of Health states that the purposes of the Hawaii Tumor Registry are service, research and education. The service aspect is a follow-up system to assist the physician to examine all of his cancer patients regularly. The research aspects of the Registry are to study incidence, associations, and survival in different geographic areas, occupations, ethnic groups, etc. The education aspect is to analyze and publish the results of such studies.

Testimony of the Department of Health further stated that almost all of the Hawaii Tumor Registry are derived from hospitals and skilled nursing homes; however, skilled nursing homes have been prohibited by Federal regulations from furnishing any personal and medical information to any individual outside of the facility unless "required by law" or with the patient's explicit consent. This bill should make continued reporting of all cancer cases possible under changing Federal laws and regulations.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 251, 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 Santos.

SCRep. 736-76      Legislative Management

Informing the House that House Resolution Nos. 477 to 496, House Concurrent Resolution Nos. 91 to 95, and Standing Committee Report Nos. 695-76 to 739-76, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 737-76      Public Assistance and Human Services and Labor and Public  
Employment on H.R. No. 415

The purpose of this resolution is to recognize and support the social work profession by proclaiming March, 1976 as social work month.

Social work professionals in our community have endeavored to resolve the social problems manifested in our society. During this bicentennial year when individual and human needs are emphasized, it is appropriate that the social work profession, dedicated to enhancing these conditions, be recognized.

Your Committee on Public Assistance and Human Services and Labor and Public Employment concur with the intent and purpose of H.R. No. 415 and recommend its adoption.

Signed by all members of the Committees except Representative Santos.

SCRep. 738-76      Public Assistance and Human Services on H.C.R. No. 74  
(Majority)

The purpose of this resolution is to request the Congress of the United States to direct the Secretary of the Department of Agriculture to cease promulgation of the proposed food stamp rules and regulations until Congress itself has taken action on food stamp reform measures presently under consideration.

Your Committee finds the intent of the proposed regulations to be the reduction of food stamp program costs through a drastic reduction in program participation. Nationally, the Administration anticipates saving \$1.2 billion in FY 1977 by reducing participation from 18.5 to 13 million beneficiaries. The State would lose an estimated \$1 million to \$1.5 million a month in federal food stamp bonus, approximately one-half of the \$3 million presently flowing into Hawaii.

The Department of Social Services and Housing anticipates the effect of the proposed rules and regulations on Hawaii recipients to be as follows: about 30% of the present 100,000 recipients would no longer qualify; another 30% would have their bonus amounts trimmed drastically; almost all of the working poor would no longer qualify; and the elderly, the majority of whom live on fixed incomes, would be required to pay much more than they are presently paying for their food stamps. The proposal does not take into consideration regional differences in standards of living, a factor which unjustly penalizes Hawaii's public assistance recipients and working poor whose incomes exceed the national poverty level eligibility guidelines, yet are barely sufficient to provide adequately for Hawaii's cost of living. The severity and nature of the cutbacks proposed by the United States Department of Agriculture are policy questions which necessitate review by the public and by Congress; thus, such major reform of the Food Stamp program should be carried out through amendment of the Food Stamp Act rather than through promulgation of rules and regulations.

Your Committee finds further, that contrary to the expectations of United States Department of Agriculture officials, the purpose of improving food stamp program administration will not be met by the proposed changes. The Department of Social Services and Housing testified that rather than simplifying the program, some of the proposals such as the 90 day budgeting period for calculating income; monthly income reporting by all recipients; stricter work registration requirements; and revision of the procedures for distributing, issuing and accounting for coupons and receipts, would create administrative complexities requiring additional staff and resulting in higher error rates. The effect of these administrative changes must be carefully reviewed prior to implementation.

The Department of Social Services and Housing strongly endorses this resolution and recommends that a certified copy be sent to the Food Stamp Division, Food and Nutrition Service branch of the Department of Agriculture and to the President of the United States. Your Committee recommends amending the resolution accordingly.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.C.R. No. 74, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 74, H.D. 1.

Signed by all members of the Committee except Representative Santos.

Representative Carroll did not concur.

SCRep. 739-76      Public Assistance and Human Services on H.R. No. 421  
(Majority)

The purpose of this resolution is to request the Congress of the United States to direct the Secretary of the Department of Agriculture to cease promulgation of the proposed food stamp rules and regulations until Congress itself has taken action on food stamp reform measures presently under consideration.

Your Committee finds the intent of the proposed regulations to be the reduction of food stamp program costs through a drastic reduction in program participation. Nationally, the Administration anticipates saving \$1.2 billion in FY 1977 by reducing participation from 18.5 to 13 million beneficiaries. The State would lose an estimated \$1 million to \$1.5 million a month in federal food stamp bonus, approximately one-half of the \$3 million presently flowing into Hawaii.

The Department of Social Services and Housing anticipates the effect of the proposed

rules and regulations on Hawaii recipients to be as follows: about 30% of the present 100,000 recipients would no longer qualify; another 30% would have their bonus amounts trimmed drastically; almost all of the working poor would no longer qualify; and the elderly, the majority of whom live on fixed incomes, would be required to pay much more than they are presently paying for their food stamps. The proposal does not take into consideration regional differences in standards of living, a factor which unjustly penalizes Hawaii's public assistance recipients and working poor whose incomes exceed the national poverty level eligibility guidelines, yet are barely sufficient to provide adequately for Hawaii's cost of living. The severity and nature of the cutbacks proposed by the United States Department of Agriculture are policy questions which necessitate review by the public and by Congress; thus, such major reform of the Food Stamp program should be carried out through amendment of the Food Stamp Act rather than through promulgation of rules and regulations.

Your Committee finds further, that contrary to the expectations of United States Department of Agriculture officials, the purpose of improving food stamp program administration will not be met by the proposed changes. The Department of Social Services and Housing testified that rather than simplifying the program, some of the proposals such as the 90 day budgeting period for calculating income; monthly income reporting by all recipients; stricter work registration requirements; and revision of the procedures for distributing, issuing and accounting for coupons and receipts, would create administrative complexities requiring additional staff and resulting in higher error rates. The effect of these administrative changes must be carefully reviewed prior to implementation.

The Department of Social Services and Housing strongly endorses this resolution and recommends that a certified copy be sent to the Food Stamp Division, Food and Nutrition Service branch of the Department of Agriculture and to the President of the United States. Your Committee recommends amending the resolution accordingly.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.R. No. 421, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 421, H.D. 1.

Signed by all members of the Committee except Representative Santos.

Representative Carroll did not concur.

SCRep. 740-76      Labor and Public Employment and Health on S.B. No. 2225-76

Your Committees agree that this measure is salutary in eliminating unnecessary duplicate coverage. After studying this measure your Committees have amended the bill in the following respects:

- (1) By limiting waiver to those cases where other prepaid health care coverage meets the basic standards of the coverage required by law;
- (2) By setting forth the procedures for permitting the waiver and for measuring the benefits under the alternative coverage;
- (3) By specifying the duration of the waiver, one year, and providing for waiver renewal; and
- (4) By prohibiting employer coercion in the matter of employee waiver.

Your Committees on Labor and Public Employment and Health are in accord with the intent and purpose of S.B. No. 2225-76, S.D. 2, as amended herein, and recommend that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 2225-76, S.D. 2, H.D. 1.

Signed by all members of the Committees except Representative Santos.

SCRep. 741-76      Finance on S.B. No. 2519-76

The purpose of this bill is to provide the statutory authority for establishing regulations and standards for safe drinking water in conformance with Federal requirements.

In addition to covering the delivery of drinking water, this bill provides for the protection of underground water resources from contamination. The scope of authority allowed

the Department of Health is intended to be broad enough to regulate, by rule or by permit, such sources as injection wells, ponds, cesspools, septic tank drainage fields, sanitary land fills, and leakages from storage tanks for gasoline and other petroleum products. It is further intended that the Director of Health conduct necessary studies and consult the respective managers of the county water departments for guidance in promulgating regulations for underground injection control to protect present and future water resources.

Your Committee has reviewed House Standing Committee Report No. 648-76 and the findings and recommendations expressed in that report are incorporated herein.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2519-76, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 742-76          Finance on S.B. No. 1794-76

The purpose of this bill is to change the law relating to notaries public to conform the durational residence requirement with present law and to raise bonding amounts and fees in order to cover increasing administrative costs.

This bill abolishes the durational residence requirement and lowers the age requirement to eighteen years. Fees charged are increased to cover rising administrative costs.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1794-76, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 743-76          Finance on S.B. No. 1824-76

The purpose of this bill is to require all purchasers or lessees of state land to pay or reimburse the State for all appraisal costs where independent appraisals are required by law or dictated by prudent management.

Under the present law, the State has been absorbing the cost of appraisals at reopenings and repurchases. The proposed amendment provides that the cost of appraisal by a disinterested appraiser of state lands is to be borne by the purchaser or lessee, except in the case of a third appraiser, where the board and the purchaser or lessee would share the costs equally.

This bill should result in substantial savings by the State.

Your Committee recommends that in the appraisals of small parcels of lands that state appraisers should be used as much as possible to minimize the cost to purchasers and lessees.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1824-76, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 744-76          Finance on S.B. No. 2024-76

The purpose of this bill is to provide employees excluded from collective bargaining sabbatical leaves and with pay equal to one-half of the basic compensation which he was receiving at the commencement of the leave.

Excluded employees who are granted sabbatical leave are entitled to receive the difference between their existing pay and the pay of the minimum step of the salary range (substitute pay), with payment being made upon the return of the employee from sabbatical leave. That payment could be as little as five per cent of the employee's normal pay and most employees do not have the financial resources to leave active employment to pursue professional improvement under the current practice.

The intent of this bill is to provide that the inducement offered for sabbatical leave

must be realistic enough to encourage employees to take advantage of opportunities to gain additional education, improve professional competence, and, hopefully improve the changing quality of public service rendered due to these times of rapidly changing conditions.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2024-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 745-76      Finance on S.B. No. 2095-76

The purpose of this bill is to extend public employee benefits to Oahu Metropolitan Planning Organization Staff.

Your Committee learned that the staff of the Oahu Metropolitan Planning Organization does not qualify for any benefit programs. The thought behind the passage of Act 180, SLH 1975, was to have an OMPO staff whose accountability was to the OMPO Policy Committee rather than to the State and/or County executive branches.

This bill retains the exemption for civil service and compensation laws. In the interest of fair and equitable treatment and to make recruitment more competitive for future staff, the granting of other employee benefits to the OMPO staff is approved by your Committee.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2095-76, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 746-76      Finance on S.B. No. 1775-76

The purpose of this bill is to clarify the relationship between prepaid legal services and statutory regulation and taxation. This bill provides for the regulation of prepaid legal services by the department or regulatory agencies by subjecting prepaid legal service plans to consumer protective legislation; by requiring public filing requirements with a statement of the plan's financial structure, benefits, terms and conditions and other required information; by protecting accumulated funds by requiring the filing of a bond or security in lieu of a bond; by requiring an annual exhibit; by controlling investments of the plan; and by providing a penalty for failure to comply with the new law. The bill further provides that prepaid plans are not insurance unless offered by an insurance company. The bill clarifies the income taxation of such prepaid plans by providing that plans offered by certain tax exempt organizations are themselves tax exempt and by providing that the value of legal services provided by a plan to a taxpayer are not taxable to the taxpayer, that amounts paid to a taxpayer to reimburse him for legal services are not taxable to the taxpayer and by providing that contributions of an employer to a plan are not taxable to his employees. Individual members will be afforded freedom of choice in the selection of their own attorney or attorneys to provide legal services under such plan. The payment of equal amounts for the cost of services rendered without regard to the identity of the attorney or attorneys selected by the plan member or members is provided, for no plan is to discriminate on the basis of such selection. Lastly, the bill provides that plans offered by exempt organizations are themselves exempt from general excise taxation.

Prepaid legal service plans are a method by which legal services may be provided to lower and middle income persons at a price they can afford. A prepaid legal service plan is a plan between a group of consumers and one or more attorneys in which the attorneys agree to provide certain legal services to the group. Through formation of a group of consumers, these legal services are provided at a lower price than would be available on an individual basis. In addition, the prepaid legal service plans are a method by which legal services may be afforded to lower and middle income persons at a price they can afford. A prepaid legal service plan is a group legal service plan in which the cost of the services have been prepaid by the group member or by some other person or organization in the member's behalf. A group legal service plan means a prepaid plan by which legal services are rendered to individual members of a group identifiable in terms of some common interest.

Your Committee has reviewed House Standing Committee Report No. 711-76 and the

findings of that report are incorporated herein.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1775-76, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 747-76 Finance on S.B. No. 2467-76

The purpose of this bill is to provide tax incentives for energy conservation by extending the real property tax exemption to alternate energy improvements.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2467-76, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 748-76 Finance on S.B. No. 2334-76

The purpose of this bill is to authorize the Director of the Department of Social Services and Housing to appoint and commission investigators in connection with the administration of public assistance. The records of State and county agencies would be available for inspection by these investigators, notwithstanding any provision for confidentiality.

The Department of Social Services and Housing is required under provisions of federal and state statute to pursue cases of non-support by legally responsible parents. To this end, the Child Support Enforcement Program was implemented in November, 1975. Federal regulations require the Department to utilize all sources of information and records available in the State to locate absent parents.

The enactment of this bill is necessary to insure that information contained in agency reports and records is made available to investigators for pursuing non-support claims. This bill limits such information as shall be made available to that which is necessary for locating absent parents, establishing paternity, and obtaining and enforcing court orders of support.

The enactment of this bill would confer the official status and authority of a police officer or of a deputy sheriff upon the investigators appointed and commissioned by the Director. Such powers and authority are necessary to assure access to information contained in government records.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2334-76, H. D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 749-76 Finance on S.B. No. 2139-76

The purpose of this bill is to establish broad policy guidelines relating to tourism, as well as to consolidate existing industry statutory references to tourism under a single chapter.

This bill establishes the visitor industry goals and objectives of the State and reconciles the sometimes competing needs of the visitor and the resident. In developing that portion of the state plan relating to tourism, under chapter 225, HRS, the Department of Planning and Economic Development will have this tourism policy as a guideline and a basis for policy recommendations of the state plan.

Strong leadership is required to integrate and coordinate the development and expansion of tourism. Therefore, this bill provides for a tourism coordinator whose primary responsibility is to coordinate the activities of public and private agencies involved in the tourist industry.

Your Committee has reviewed House Standing Committee Report No. 717-76 and recommends that its findings be incorporated herein.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2139-76,

S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 750-76 Finance on S.B. No. 2409-76

The purpose of this bill is to provide police benefits for service-connected total disability retirement equivalent to that provided to firemen and sewer workers.

Your Committee has amended this bill by deleting amendments in relation to service-connected occupational disability retirement and accidental death benefits to conform the bill to its title.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2409-76, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2409-76, H.D. 2.

Signed by all members of the Committee.

SCRep. 751-76 Finance on S.B. No. 2121-76

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, by adding a new section which directs the Department of Social Services and Housing to pay providers of medical, dental and other professional health care services participating in the Medicaid program, their usual and customary fees up to the maximum which federal rules permit. On even numbered years, the Director must submit a report to the legislature to determine the amount of additional moneys required and the amount shall be reflected in the Governor's Supplemental Budget.

The biennial budgeting shall be based upon the most current profile of usual and customary fees. The Department should coordinate its efforts with the Hawaii Medical Services Association to enable use of the most currently available profiles as the basis for budgeting and payment of fees.

The projected cost for all professional services in 1976-77, based on the proposed increase in payments for physicians, is \$22,459,071. This represents an increase of \$4 million over the amount appropriated for the current fiscal year. An appropriation of \$2.3 million is necessary to cover the State's share of implementing the proposed payment schedule and will be budgeted for in the Supplemental Budget Act.

Your Committee has noted the findings expressed in House Standing Committee Report No. 653-76 and agrees therewith.

Your Committee has amended this bill by inserting the words, "shall request that" to the last line on page 2.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2121-76, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2121-76, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 752-76 Finance on S.B. No. 1667

The purpose of this bill is to defer the payment of annual and longevity pay increases for employees who are excluded from bargaining units in any fiscal year that bargaining unit employees do not receive annual and longevity pay increases because an increase in the wage schedule took effect.

Act 164, Session Laws of Hawaii 1975, adopted the concept for deferral of annual and longevity pay increases whenever a general pay increase was negotiated for employees covered by collective bargaining. The intent of this bill is to be consistent in administering pay adjustments for employees excluded and covered by collective bargaining agreements.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1667 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 753-76 Finance on S.B. No. 2107-76

The purpose of this bill is to increase the number of law clerks for the chief justice, and each justice of the Supreme Court.

Your Committee finds that increasing the workload, and the increasing complexity of the law requires the addition of law clerks to adequately meet the demands of the matters before the Supreme Court.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2107-76, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 754-76 Finance on S.B. No. 1328

The purpose of this bill is to assure the accuracy of the odometer system installed in certain passenger cars introduced into the state for use, sale or resale, lease or release, rental or rerelease, and export.

To accomplish this end, the bill complies present laws regarding odometers which are scattered throughout the Hawaii Revised Statutes and places them in one chapter; provides adequate enforcement powers to the director of agriculture; clears up ambiguities between federal and state law; and provides penalties for violations.

In order to accomplish the compilation of laws regarding odometers into one chapter, the bill repeals the present odometer-related laws found in chapter 292, and sections 291-38 and 476-35.1.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1328, S.D. 3, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 755-76 Finance on S.B. No. 849

The purpose of this bill is to update the meaning of the term "transfer" by covering four specific categories under which personnel transfers will occur. The four categories of transfer are: (1) in the same class; (2) in a different class assigned to the same pay range in the same salary structure; (3) in a different salary structure and in a class assigned to a pay rate of the pay range of the class which the employee is transferring from, or; (4) in a different salary structure and in a class assigned to a pay range whose highest pay rate is less than or exceeds the highest pay rate of the class which the employee is transferring from, by no more than the dollar difference between the first and second step of the pay range of the class the employee is transferring from.

This bill revises obsolete language in section 76-35, Hawaii Revised Statutes which was written when all civil service employees were under the same salary schedule. With collective bargaining, there are ten salary schedules for civil service employees with variations in rate for different bargaining units.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 849 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 756-76 Judiciary on S.B. No. 1862-76

The purpose of this bill is to amend the Hawaii Revised Statutes so as to make clear that the privileges of the University of Hawaii are available to all persons without regard to race, color, sex or national origin.

This bill expressly conforms the existing statute relating to the University of Hawaii with the philosophy expressed in the Federal and State Constitutions and court precedents

relating to civil rights.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1862-76, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Santos.

SCRep. 757-76 Legislative Management and Finance on S.B. No. 2830-76

The purpose of this bill is to adjust the salary of positions in the office of the revisor of statutes.

Your Committees have been concerned with the statutory revision and publication of laws program of the State and in the 1975 session, your Committees proposed a reorganization plan for the program under H.B. No. 11. Your Committees deem it appropriate to incorporate that reorganization plan into this bill and the adoption of the plan will resolve the salary problem.

The purpose of the reorganization proposal is to transfer the statute revision and publications of laws program from the office of the revisor of statutes to the legislative reference bureau. The status of the office of the revisor of statutes would be clarified and the program would be clearly under the legislative branch. At the present time, staff appointments for the office are made by the Supreme Court, but the office functions are under the legislative reference bureau for administrative purposes. This organization scheme is not conducive toward the maximum use and efficiency of the revisor, and the full advantage of the office to the State is not realized. A meaningful improvement in the legislative process will result from the full transition of the revisor into the legislative branch.

The intent of this bill as amended is to increase efficiency of legislative service agencies. It proposes to reorganize the statute revision and publication program by combining it with related legislative services that are rendered by the office of the legislative reference bureau. The office of the revisor of statutes as a separate agency is to be abolished and all of its functions are to be transferred to the bureau. The appointing and approving power of the supreme court over the revisor will be terminated.

The director of the bureau will become the "revisor of statutes" (or "revisor"), thus preserving the designation recognized among the various states for the official charged with the statute revision program. However, the director will have the authority to delegate his responsibilities as revisor.

The bureau will be responsible for:

- (1) The publication of the session laws;
- (2) The publication of supplements to the revised statutes;
- (3) The review of annotations to the revised statutes; and
- (4) The continuous revision of the statutes of Hawaii.

In carrying out this program, the bureau will have the same authority given to the present revisor to enter into contracts with or without regard to the laws governing public contracts or public printing. Distribution and sale of the laws will remain under the lieutenant governor.

Noncivil service employees (the revisor and two assistant revisors) will be transferred to the bureau as legislative researchers. Given the current salary range of positions in the bureau, the revisor and his assistants should receive substantial salary increases upon being transferred to the bureau. The present revisor can retain his title and position. Civil service employees (two clerks) will be given the option of remaining in civil service by shifting to positions in the judiciary or transferring to positions in the bureau exempted from civil service. No loss of any other right of public employment will result from this reorganization of the office of the revisor.

Chapter 2, Hawaii Revised Statutes, is to be repealed, but similar provisions will be added as a new part to the chapter which governs the bureau (chapter 23G).

Your Committees on Legislative Management and Finance are in accord with the intent and purpose of S.B. No. 2830-76, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2830-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Morioka.

SCRep. 758-76 Consumer Protection and Commerce on S.B. No. 2703-76

The purpose of this bill is to create a new class of liquor license, named a "Hotel" license, for the sale of liquor in a hotel for consumption on the premises.

Under the present liquor laws most hotels operate under a dispenser general license, with a few having a cabaret license. However, some aspects of normal hotel operations, such as room service, and self service at private parties or pools, differ from the activities of a normal dispenser. This bill clarifies the situation by establishing a "hotel" class license to cover the activities of hotels.

The bill also authorizes the liquor commission, in cases where a mortgage on premises covered by a liquor license is being foreclosed, to delay the payment of any renewal fee for a license issued for the premises or additional fee accrued on the basis of gross sales made under such license, until the sale of the premises has been closed under the foreclosure proceeding. There have been instances where a licensee became bankrupt and the liquor commission had no alternative but to revoke the license upon the nonpayment of the renewal fee. The amendment to the existing law contained in the bill will afford the liquor commission flexibility in dealing with such situations.

The bill as referred to your Committee also amended section 281-91, Hawaii Revised Statutes, by increasing from ten to sixty days, the period within which notice of a violation based upon the personal observation of a liquor inspector must be given to a licensee. The purpose of the amendment is to resolve the problems of some counties in acting on such violations within the present time periods because of the infrequency of liquor commission meetings. Your Committee agrees with the intent of the amendment but feels that rather than the notice period, it would be preferable to increase from ten to sixty days, the period within which a hearing on such charges must be held. This method of resolving the problem would give a licensee early notice of an alleged violation and allow the various liquor commissions the needed flexibility in acting on the alleged violation. Therefore, the bill has been amended accordingly.

The bill has also been amended to provide that the liquor commissions of each county shall adopt rules, as deemed appropriate, restricting the holders of hotel licenses in engaging in the sale of liquors as authorized by retail dealers' licenses. Your Committee believes the amendment is desirable because retail dealers' licenses authorize sale of liquors not for consumption on the premises while the hotel license created by the bill is for sale of liquors only for consumption on the premises. It is your Committee's intention that any rules adopted by the liquor commissions be designed to enforce the distinction between the two classes of licenses regarding the place of consumption.

Further amendments have been made to the bill to correct typographical errors which have no substantive effect on the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2703-76, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2703-76, S.D.2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 759-76 Water, Land Use, Development, and Hawaiian Homes and Housing on S.B. No. 2394-76 (Majority)

The purpose of this bill is to establish a means of organizing and utilizing public and private development resources for the creation of neighborhoods in the State where residential uses can be balanced with other mixed uses in geographical areas carrying a substantial potential for such community development. To accomplish this, this bill designates the Kakaako area of Honolulu as the community development district to be planned and redeveloped by a community development corporation established as a corporate governmental body of the State with general powers to plan and implement a community development program.

Your Committees agree that there are geographical areas in the state which are substantially underdeveloped, in need of renewal, renovation, and improvement, and which can, under appropriate community development planning, serve as new centers of

community life, residence, employment, and recreation. For such areas, designation as community development districts, enabling a coordinated planning and implementation program, can result in neighborhoods which can better serve resident and worker needs.

Your Committees agree that in order to provide for the improvement of such areas, a new and comprehensive structure for community development which will join the strengths of private enterprise, public development and regulation is needed. Your Committees also agree that it is within the constitutional mandate of section 4 of Article VIII of the State Constitution, that the state provide for or assist in the development or rehabilitation of substandard areas.

However, after due consideration, your Committees have amended the bill to limit the powers of the corporation to only those necessary for the preparation of a comprehensive community development plan for the Kakaako district in Honolulu for submittal to and approval by the state legislature and the legislative body of the City and County of Honolulu in 1977.

Honolulu's Kakaako district has long been discussed as an area long in need of renewal, renovation, and improvement. It is well located with respect to the central business district, the government center, major commercial facilities, and important regional recreational and service centers. Due to its historic function as a service and industrial area, the district is relatively underdeveloped in intensity of land use, and has a significant potential if redeveloped into a comprehensively planned new community.

Because the idea of a quasi-public corporation for such specific purposes is relatively unique for Hawaii, your Committees feel that a more cautious approach should be taken in the exercise of such a new form of community development. Therefore, bonding provisions and other powers relating to financing have been deleted from the bill since all that is being required at this time is the preparation of a Kakaako district community development plan. Such a plan is to include project costs and financing, which should then provide the legislature with the information necessary in determining appropriate financing powers for the corporation.

Although the bill sets forth general powers relating to the development and implementation of the community development plan, your Committees have amended the bill to clearly state that the corporation shall neither implement the Kakaako community development plan nor exercise any powers of the corporation relating to the implementation of the development plan unless the development plan shall have been approved by the legislature and the legislative body of the City and County of Honolulu.

In recognition of the limited time allowed in the bill for the preparation and submittal of the Kakaako community development plan, the bill as amended, requires that the legislative body of the City and County of Honolulu appoint its four members within thirty days after the effective date of the bill, and that within another thirty days after the last county appointment, the members of the board of directors must appoint the remaining four directors who are to be owners of land in the Kakaako district.

Your Committee on Water, Land Use, Development, and Hawaiian Homes and your Committee on Housing is in accord with the intent and purpose of S.B. No. 2394-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Morioka.

Representative Abercrombie did not concur.

SCRep. 760-76      Finance on S.B. No. 2333-76

The purpose of this bill is to establish a special revolving fund for each correctional facility store for the purchasing of items to be resold to inmates.

The creation of a special revolving fund will eliminate the need to withdraw and subsequently reimburse general funds continually for purchase of items for resale from the correctional store receipts. It will encourage the stores to become self-sustaining.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2333-76, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 761-76 Finance on S.B. No. 1899-76

The purpose of this bill is to improve the delivery of programs and services for the State's children and youth. There are several major problems in the area of children and youth programs and services, such as the lack of coordination among the services and planning activities of the various departments of the State, duplication of services, lack of clarity and responsibility for services, and inadequately articulated interagency programs.

The bill provides for the establishment of a new office, the office of children and youth, within the office of the governor, to replace the existing commission on children and youth and the existing youth affairs component of the office of information and youth affairs in the office of the governor. This bill also provides for an advisory council for children and youth, composed of representatives from several State agencies, the several counties, private children and youth service organizations and private citizens.

Section 3 of this bill transfers the functions and funds of the commission on children and youth and the youth affairs component of the office of information and youth affairs to the office of children and youth.

Finally, this bill mandates that a joint agreement of cooperation be arrived at by the advisory council of children and youth and the juvenile justice coordinating council, when the latter is established. This agreement shall be subject to legislative review and approval to ensure that it is consonant with the overall intent of this bill.

This bill intends to provide the counties maximum authority in the development and implementation of their own programs. For this reason no attempt has been made to prescribe the form to be followed by the local county committees referred to in Sec. 581-3(7) of this bill. Should the counties at some time in the future wish to devise a uniform structure to be utilized throughout the state, appropriate sections may be amended to incorporate the additional provisions.

Your Committee on Finance is in accord with the intent and purpose of S.B. 1899-76, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 762-76 Finance on S.B. No. 2226-76

The purpose of this bill is to allow employees of the former Puunene Hospital on Maui and the former Waimea Hospital on Kauai to purchase their previous service with these institutions for purposes of retirement under the State retirement system.

Presently there are 23 former employees of the Puunene Hospital who are affected and who have an average of about 6 1/4 years of former service which is purchaseable. About ten employees of the Waimea Hospital, with an average purchaseable service of eight years, are involved.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2226-76, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 763-76 Finance on S.B. No. 2321-76

The purpose of this bill is to authorize the appointment of a Deputy Administrative Director of the Courts, subject to chapter 76, Hawaii Revised Statutes, but not subject to chapter 77. The bill also provides for a second deputy sheriff.

The Administration Office of the Department of Judiciary completed a six-month survey and analysis of its functions in the fall of 1975. Included in this review was a comparison with the organizational structure of Executive Branch departments. One point brought out by the review and comparison is that the Judiciary is larger than twelve Executive Branch departments. At the conclusion of this effort, the Administration Office was reorganized to provide for a position of Deputy Administrative Director of the Courts.

The appointment of a second deputy sheriff which would allow for civil and criminal matters to be split within the Office of Sheriff. The Office of Sheriff was transferred to the Judiciary in 1975. An initial review of the functions indicates that supervisory control needs to be upgraded to effect a higher degree of efficiency. The first deputy will be responsible for the civil matters while the second deputy will be responsible for the criminal matters. The second deputy shall be on equal status with the first deputy.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2321-76, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 764-76      Finance on S.B. No. 2643-76

The purpose of this bill is to raise the level of contributions to the Public Employees Health Fund.

The bill reflects an increase in the monthly contribution of the dental plan premium from \$2.57 to \$3.26.

Your Committee finds that at the present time the employees share of the dental plan premium cost has risen significantly because of the concurrent increase in dental care costs and the present statutes which require employees to pay the burden of all medical premium cost increases in excess of the government's contribution.

Your Committee also finds that when the Health Fund Law was established by the Legislature in 1961, the level of government contributions was set at almost 50% of the total Medical Plan premium and that in 1970, the Legislature again adjusted the level of contribution to reflect a similar cost-sharing ratio. It now appears that an increase in the contribution is warranted to maintain the approximate 50% cost-sharing level originally intended by prior legislatures.

Thus, your Committee has amended this bill as follows:

- 1) Section 1 of the bill has been amended to reflect an increase in the level of government contributions from \$5 to \$10 for individual beneficiaries and from \$15 to \$30 for employee-beneficiaries with dependent-beneficiaries.
- 2) Section 2 relating to the appropriation has been amended to provide for a sum of \$3,782,000 to be expended by the department of budget and finance.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2643-76, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2643-76, H.D. 1.

Signed by all members of the Committee.

SCRep. 765-76      Finance on S.B. No. 2827-76

The purpose of this bill is to establish a program of repair and maintenance of public facilities and stimulate job opportunities for trades affected by unemployment.

Data for 1975 indicate that employment in contract construction trades was down almost 12 per cent from the preceding year. This reflects the trend in recent years of a slowdown in construction activity, a trend expected to continue in the near future.

The repair and maintenance of public facilities is a promising program which your Committee believes can be used to combat unemployment. Repair and maintenance activities are labor-intensive; they involve trades sharply affected by unemployment; the program itself has not received the attention and it should, particularly with respect to the protection of public investment through preventive maintenance; and the program can be accelerated not without the long lead time required for major construction projects.

Your Committee finds that the intent and purpose of this bill is similar to H.B. No. 2000-76, H.D. 2. Your Committee, therefore, has chosen to amend this bill by incorporating H.B. No. 2000-76, H.D. 2 in its entirety.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2827-76, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2827-76, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 766-76      Finance on S.B. No. 75

The purpose of this bill is to reconstitute the board of paroles and pardons as the Hawaii paroling authority and the authority will consist of a full-time salaried chairman and two part-time paid members.

The general intent of this bill is to permit the parole system, whose mission is the protection of society on the one hand and the assistance in the rehabilitation of the offender on the other, to become more effective and efficient.

The present part-time board has often been frustrated in its effort to provide the necessary services demanded by the needs of the present parole system. The constraints of time, lack of technical knowledge and personal hardship on board members arising from the time they must take from their own jobs, have hampered the effectiveness of the board.

This bill provides for the full-time paid chairman and the two part-time paid members to be selected through submission of not less than three names for each vacancy to the governor. Your Committee has amended this bill to provide for compensation of the full-time chairman at \$26,076 annually, with the two part-time members receiving 90 per cent of the hourly wage paid the chairman. The board's salary and compensation amounts were arrived at after comparing the present Department Administrative Salary structure, the expected scope of responsibility of the paroling authority chairman and part-time members.

The full-time chairman will provide the organization for the required leadership in Hawaii's parole system by improving the decision making process and more effectively responding and reacting to the needs of the inmates and the general community.

In addition to the salary change, your Committee has deleted the section making an appropriation, since funds to implement this bill have been budgeted for by the Administration. The section directing the revisor of statutes to make clarification changes has also been revised.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 75, S.D. 2, H.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 75, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 767-76      Finance on S.B. No. 2294-76

The purpose of this bill is to ensure greater public participation in health planning by establishing subarea planning councils.

In 1975, the Legislature enacted the Health Resources and Development Act in accordance with federal law to develop a health planning system. The intent of the law was to ensure the greatest amount of public participation in health planning. Because of its particular geographic and population characteristics, Hawaii was exempted under the federal law from forming local health planning agencies and the state planning agency was designated the agency responsible for health planning. As a result, Hawaii has one agency for health planning.

The designation of the state agency as the planning agency limits public participation. This bill proposes to create a system for local participation in health planning by providing for subarea health planning councils.

Your Committee has noted the findings in House Standing Committee Report No. 654-76 and agrees generally therewith.

Your Committee has amended this bill by deleting the appropriation made in the sum of \$150,000.

Your Committee has also corrected the section numbers.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2294-76, S.D. 2, H.D. 1, as amended herein, and recommends it pass Third Reading in the form attached hereto as S.B. No. 2294-76, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 768-76      Finance on S.B. No. 2745-76

The purpose of this bill is to extend the State Program for the Unemployed until June 30, 1977.

Under the present law, the State Program for the Unemployed and the appropriations for this program would lapse on June 30, 1976. Your Committee finds that unemployment still remains one of the foremost problems confronting the State today and that there is a need to continue providing jobs for our unemployed. The provisions of this bill would extend the State Program for the Unemployed until June 30, 1977.

With more than 30,000 persons unemployed throughout the State, the jobs created under the present State Comprehensive Employment and Training program will not lower the unemployment rate to any significant degree. However, the lapse of program funds on June 30, 1976 will result in a mass layoff on July 1, 1976 during a period of continuing high unemployment.

Your Committee finds that the intent and purpose of this bill is similar to H.B. No. 2386-76, H.D. 2. Your Committee, therefore, has chosen to amend this bill by incorporating the substantive provisions in H.B. No. 2386-76, H.D. 2, and by extending employee coverage under chapter 87, Hawaii Revised Statutes, to such persons eligible under this program.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2745-76, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2745-76, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 769-76      Finance on S.B. No. 1187

The purpose of this bill is to assist residents of Hawaii to obtain a dental education through bilateral contracts with dental schools in other states.

This program is similar to the WICHE program, except that the director of budget and finance will negotiate the bilateral contracts outside the WICHE area.

Students seeking participation in this program shall be required upon completion of the student's dental education to actively engage in professional practice in areas with inadequate dental service in the State of Hawaii.

Your Committee has amended this bill by deleting the section making an appropriation of \$39,000. Your Committee agrees that funding is not immediately necessary and should await the adoption of the rules and regulations to implement this program.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1187, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1187, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 770-76      Judiciary on S.B. No. 1854-76

The purpose of this bill is to prohibit the use of a school bus sign on a vehicle that is not a school bus.

Your Committee finds that instances have occurred where vehicles once used as school buses have been converted to other uses but continue to display a school bus sign. The intent of this bill is to maintain the identification of the sign and restrict its display

to actual school buses in operation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1854-76 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 Santos.

SCRep. 771-76      Agriculture on S.B. No. 1512

The purpose of this bill is to exempt marketing order inspectors, hired under Chapter 163, Hawaii Revised Statutes, "Marketing Orders And Agreements", from Chapters 76 and 77 of the Hawaii Revised Statutes.

The Department of Agriculture supports the intent of this bill and presented testimony stating that inspectors hired under the Marketing Order Revolving Fund are presently retained on an annual exempt renewal basis, that is, each year the Department of Personnel Services must approve the continuation of their employment on an exempt basis. Inspection services are seasonal, peaking from April to June and again in August through October. Inspectors' work hours are erratic, generally occurring in the early morning and ranging from 10 to 35 hours per week.

Your Committee believes that clarifying the inspectors' status as being exempt from Chapters 76 and 77 will expedite the administration of state and federal marketing order programs.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1512, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representatives Abercrombie, Morioka and Oda.

SCRep. 772-76      Finance on S.B. No. 2797-76

The purpose of this bill is to provide that the appropriation for item 67, in section 2, part I, subsection K of Act 197, Session Laws of Hawaii 1971, as amended, shall lapse as of June 30, 1977 if unencumbered as of that date rather than lapsing as of June 30, 1976 as the Act now provides.

The City and County is presently considering a series of projects which will use the bulk of the remaining state appropriation in combination with City matching funds. Extension of the lapse date by one year should provide sufficient time for the City to finalize its decisions and encumber the appropriation.

This bill recognizes the need to accommodate special cases such as the Waikiki improvements.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2797-76, S.D. 2, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 773-76      Consumer Protection and Commerce on S.B. No. 1998-76

The purpose of this bill is to enable the liquor commissions in the State to obtain criminal information of applicants for liquor licenses.

Section 831-3.1, Hawaii Revised Statutes, prohibits a person from being disqualified to engage in a business for which a license is required, solely by reason of a prior conviction of a crime. This bill amends Section 831-3.1 (a) and 831-3.1 (d) so that the liquor commissions may use criminal records in considering the fitness of a liquor license applicant.

Although your Committees agree that the nature of the liquor industry is such that a person's criminal record should be considered in determining fitness to receive a

liquor license, your Committees believe that only the more serious crimes, i.e., felonies, should be considered. Therefore, the bill has been amended to provide that Section 831-3.1 shall not apply to applicants for liquor licenses who have been convicted of a felony rather than any crime.

Your Committee on Consumer Protection and Commerce and your Committee on Judiciary are in accord with the intent and purpose of S.B. No. 1998-76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1998-76, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 774-76      Consumer Protection and Commerce on S.B. No. 2501-76  
(Majority)

The purpose of this bill, as amended, is to require second-hand dealers who deal in scrap metal to keep records of purchases and sales of scrap which may aid in the apprehension of criminals engaged in the theft and sale of scrap metal and to make it more difficult for such criminals to dispose of stolen metal by placing a duty upon scrap dealers to refuse to purchase metal which they have reason to believe is stolen.

As referred to your Committee, the bill amended Section 445-171 and 445-172, Hawaii Revised Statutes, to require additional requirements to those already imposed on second-hand dealers.

Upon consideration of the measure, your Committee finds that the problem to which the bill is addressed is the theft of metal from construction companies, hardware stores, construction sites and similar enterprises dealing in metal and the subsequent sale of such metal by the thieves. Your Committee agrees that this is a serious problem which justifies more stringent regulation of secondhand dealers who trade in scrap metal. While your Committee recognizes that most scrap dealers are honest businessmen, testimony indicates that a major means of disposing of stolen metal is through scrap dealers and, therefore, the bill has been amended to require scrap dealers to keep records of purchases and sales which may aid in the apprehension of those who engage in the theft of metal and to impose a duty on scrap dealers to refuse to purchase metal which they have reasonable cause to believe has been stolen.

The bill has also been amended to provide for an effective date of August 1, 1976 to allow time for each director of finance to prepare to issue the licenses provided for in the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2501-76, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2501-76, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

Representatives Cayetano and Sutton did not concur.

SCRep. 775-76      Consumer Protection and Commerce on S.B. No. 1838-76

The purpose of this bill is to amend Chapter 294, Hawaii Revised Statutes, the Hawaii no-fault law. The proposed amendments vary from those of a housekeeping nature intended to improve the operation and administration of the programs to those which may have a direct impact regarding benefits to the motor vehicle insurance consumers.

Upon consideration of this bill, your Committee has amended the bill by deleting several of the proposed changes and making other technical changes. The bill, as amended, makes the following changes to Chapter 294:

- (1) (a) The definition of "accidental harm" in Section 294-2 is amended to conform to changes made in Section 294-4 by the Legislature last session. Both sections deal with pedestrians who are injured by a motor vehicle. The proposed amendment removes the provision that an injured pedestrian is one who is "struck by" a motor vehicle.

- (b) The definition of "motor vehicle accident" in Section 294-2, Hawaii Revised Statutes, is amended to conform to the accident situations described in Sections 294-2(1) and 294-2(12). This is primarily a technical amendment for clarity.
- (2) The definition of "insurer" in Section 294-2 is amended from every person engaged in the business of making contracts of motor vehicle insurance, etc., to every person who is licensed to engage to do so. Certain insurers have interpreted the present definition of "insurer" as being applicable only to those actively engaged in the writing of motor vehicle insurance in Hawaii. The proposed amendment clarifies that all provisions of the no-fault law apply to all insurers authorized or licensed to transact motor vehicle insurance business in Hawaii.
  - (3) The definition of "no-fault benefits" is amended to carry out the original intent of the Legislature in passing the No-Fault Act. The amended definition explicitly states that the no-fault benefits provided public assistance recipients do not include the medical, rehabilitative, or income loss benefits, since these were already provided by the State. A double coverage or recovery was never intended. It was not the objective of the Act to charge the insured public with such costs. This amended definition makes plain the intent of the Legislature that recipients be afforded sufficient coverage to permit their continued auto operation so as not to discriminate unconstitutionally; that their assistance, including medical services, should continue after an auto accident; and that neither the State nor all auto insurance buyers incur any heavier or additional costs in such coverage.
  - (4) The proposed amendment to sub-section 294-5(d) will conform the same to sections 294-4 and 294-2(1) by eliminating the earlier mentioned "struck by" requirement relating to pedestrians.
  - (5) Section 294-9 presently provides that cancellation notices be mailed by certified or registered mail, deliverable only to the addressee. While the intent of this provision was to guarantee delivery of the cancellation notice, this requirement has caused many problems and delays for both consumers and insurers. The proposed amendment would require that cancellation notices be sent and that a certificate of mailing be used. This would provide adequate safeguards for the consumer while reducing the delays and costs entailed by the present procedure.
  - (6) Subsection 294-13(j) is amended to conform it to amendments to the open rating section enacted under Act 113, Session Laws of Hawaii, 1975. To remain consistent, the applicable dates with respect to the commissioner's rate-making powers are accordingly revised.
  - (7) Subsection 294-21(c) is amended to provide that the Joint Underwriting Plan Board of Governors shall meet at least quarterly. Presently, the Board is required to meet at least monthly, however, the Board members are in unanimous agreement that such monthly meetings are not required.
  - (8) Section 294-22(b)(2) has been amended to conform to the refined definition of "no fault benefits" above. Removed is the requirement that public assistance drivers' coverage extend for three months beyond the last date of assistance. This change was prompted in the interest of internal statutory conformity, the reduction of costs, and to assure coverage of medical and income loss protection during the recipient's conversion to self-supporting status.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1838-76, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1838-76, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 776-76 Labor and Public Employment on S.B. No. 2326-76 (Majority)

The purpose of this Act is to amend the State's unemployment insurance program

as established by the Hawaii employment security law. Present adverse economic conditions and prolonged high unemployment have shown that certain provisions of the unemployment insurance program cannot accommodate all contingencies. In particular, existing provisions and practices relating to benefit payments and the financing of benefit payments have been affected.

Testimony presented to your Committee on H.B. No. 2719-76 which is the companion measure to S.B. No. 2326-76, revealed that primary consideration should be given to amending two parts of the law--benefit provisions and the unemployment trust fund. The proposed amendments, would reduce the total amount of benefits paid out as well as increase the amount and timeliness of contributions paid in to the trust fund.

#### Benefit Provisions

The proposed amendments under S.B. No. 2326-76, S.D. 1, relating to benefit provisions include:

- (1) Defining "week of employment" to mean an individual must work at least 20 hours per week or be compensated for vacation, holidays or sickness;
- (2) Requiring unemployment insurance claimants to work five consecutive weeks in order to requalify for benefits if they voluntarily quit their jobs without good cause, were suspended or fired for misconduct or failed to apply for suitable work; and
- (3) Cancelling benefits for the week in which a fraud determination is made on a claim and for each consecutive week during the current and subsequent 24 calendar months following the determination.

Your Committee has reviewed the above benefit provision amendments and with the exception of the proposed definition for "week of employment", considers them to be appropriate to correct weaknesses in benefit provisions.

Presently, there exists no minimum time requirement of what constitutes a "week of employment." This means, for example, that an individual who has worked for one hour during a week can claim it as a week of employment.

Your Committee held lengthy discussions with representatives of business-management, labor and the Department of Labor and Industrial Relations in the hopes of determining a fair and equitable definition of "week of employment." According to the department, a 20-hour week of employment is used as a minimum eligibility requirement for benefits in two other employee benefit programs, the Temporary Disability Insurance and the Prepaid Health Insurance. However, your Committee found that the 20-hour week of employment proposal was not an acceptable criterion in determining an appropriate amendment to the present Employment Security Law.

It is your Committee's understanding that the intent of the law is to cover workers whose work week or work schedule is often beyond their control or their employer's control. Given this intent, it is your Committee's feeling that the definition of "week of employment" should not be punitive and should allow these workers who are to be legitimately insured to be treated fairly by the operation of the law. Your Committee notes that any definition of "week of employment" to meet minimum work week standards peculiar to these industries will not, in any way, affect the requirement of a worker to meet the dollar minimum of 30 times the weekly benefit amount to qualify for unemployment insurance benefits.

Your Committee received testimony that, among others, musicians, substitute teachers, college lecturers, postal workers, and possibly pineapple workers, are in these categories affected.

Your Committee's primary concern was to arrive at a definition of "week of employment" which would not exclude workers who should be entitled to unemployment insurance benefits. Given the inadequacy of the 20-hour "week of employment" definition in meeting this objective, every possible proposal and interest was given more than ample consideration in order to develop a reasonable definition. All concerned parties were given the opportunity to cooperatively formulate a satisfactory definition; however, agreement on such a definition could not be reached. Based on the discussion and information received relating to situations where employees have no control over the number of hours they work during the course of a day or a week, your Committee recommends that a "week of employment" be defined as at least two days or four hours. In this

way, all responsible workers of the state's labor force will be assured of benefits to which they are entitled.

Your Committee was informed that, under the present provisions of the law, if an unemployment insurance claimant voluntarily quits his job without good cause or fired for misconduct or fails to apply for suitable work, eligibility for unemployment benefits may occur after a disqualification period of three to eight weeks. Your Committee believes that, because the state's unemployment program was established to mitigate the effects of sudden or extended unemployment on the involuntarily unemployed, eligibility for benefits should not be automatic for the worker who by his actions, creates his own unemployment. Unlike the 20-hour week of employment definition which by operation of the law affects a worker, disqualification provisions, to a certain extent, are brought about by or are within the control of the insured worker.

Your Committee believes that during times of high employment and when the Unemployment Trust Fund is solvent, the general public, administrators of the unemployment insurance program, and state policy-makers would be more tolerant of temporarily disqualifying a worker who has created his own unemployment. However, your Committee feels that the prevailing concern over the existing problems of inflation, high unemployment, and a depleted trust fund by the general public and state policy-makers calls for certain adjustments in the unemployment insurance program. Your Committee was informed by the Department of Labor and Industrial Relations that the proposed amendment requiring claimants to work five consecutive weeks in order to requalify for benefits would mean a projected savings of \$7.7 million annually for the trust fund. Your Committee further notes that under the unemployment insurance program, appeal procedures are available to any worker who is not satisfied with any departmental determination which disqualifies him from unemployment benefits. For these reasons, your Committee supports this amendment.

However, because your Committee recognizes that the full implications of the disqualification provisions relating to a worker who creates his own unemployment cannot be determined at this time, your Committee also recommends that the Department of Labor and Industrial Relations prepare an analysis of the effects of the disqualification provision upon the solvency of the trust fund. Such analysis is to also include but not be limited to the number and type of worker affected and is to be submitted to the Legislature twenty-days prior to the convening of the Regular Session of 1977.

Although your Committee does not believe that claimant abuse and fraud are widespread, every effort would be exerted to discourage the incidence of claimant fraud. Under the present statutory provision, an individual who fraudulently files a claim for unemployment insurance benefits is disqualified from one to fifty-two weeks. Your Committee finds that the amendment to increase the penalty for fraud for 24 calendar months after such determination is made may be an effective deterrent to claimant abuse.

#### Unemployment Trust Fund

The state unemployment trust fund, made up of employer contributions, constitutes the financial sources from which unemployment insurance benefits are paid. It should be noted that employees do not contribute to the fund. The sharp decline in the trust fund's balance has been a continuing and prevalent concern not only in Hawaii but in other states as well. The solvency of Hawaii's fund is considered to be in jeopardy when its balance falls below \$15 million. As of March 31, 1976, the state will have borrowed \$13 million from the federal "loan fund." Amendments considered by your Committee to rebuild the trust fund's balance and to prevent future financial crisis include:

- (1) Raising the taxable wage base to equal the statewide average annual wage or a taxable base of 100% of the statewide average annual wage;
- (2) Requiring government employers to pay in advance to the trust fund;
- (3) Limiting non-charge benefits by eliminating non-charging in cases where a claimant has caused his own unemployment; and
- (4) Establishing a single basic contribution rate for employers based on experience rating with a schedule range of 0.2% to 3.4% with negative reserve employers paying a higher tax rate;
- (5) Establishing a solvency rate schedule to maintain the solvency of the trust fund with a schedule range of 0.3% to 2.1% based on experience rating.

Your Committee was informed that raising the taxable wage base for employer contributions from 90 percent to 100 percent of the statewide average annual wage would result in a larger percentage of total wages subject to unemployment insurance contributions to the trust fund. For 1975, 90 percent of the statewide average annual wage was \$7,300. An individual who earned \$10,400 in equal wages for four calendar quarters would have been eligible for the maximum unemployment benefit compensation of \$104 per week. For such an individual, \$7,300 is equivalent to 70 percent of his annual wage, which is subject to employer contribution to the trust fund. On the other hand, an individual who earned \$7,300 in equal wages for four calendar quarters would be entitled to \$73 per week in benefits. For such an individual, \$7,300 is equivalent to 100 percent of his total annual wage which is subject to employer contribution to the trust fund. Your Committee supports an increase in the taxable wage base because maximum weekly benefits are not equitably reflected in the taxable wage base, and such an increase would also defray the cost of paying high weekly benefits to higher salaried workers to a greater extent than at present.

Testimony further revealed that state and county governments as employers reimburse the trust fund on a monthly basis for claimant benefits paid out, whereas the same does not hold true for private employers. An inequity in the reimbursement process appears, since private employers' contributions to the fund, in a sense, is being used to pay or borrow benefits for government employees at no interest. Your Committee agrees that government employers should be required to advance their benefit payments in the same way as private employers.

The Department of Labor and Industrial Relations reported that in 1974 \$13.1 million of non-charged benefits were paid out--i.e., benefits not charged to individual employers' reserve accounts because the employee has brought about his own unemployment by voluntarily quitting or being fired for misconduct. Nevertheless, these non-charged benefits are paid out of the trust fund which is a pooled fund, thereby decreasing it by a proportionate amount of dollars. Because of the overall decline of the fund, every employer's contribution rate is increased to replenish it; and, at the present time, all employers are contributing the maximum rate of three percent. Private employers with low rates of unemployment then must bear the burden of these non-charged benefits which includes cases where a claimant causes his own unemployment. In recognition of the inequity of the present application of non-charged benefits, your Committee supports the curtailment of non-charged benefits by deleting its application in situations where a worker has caused his own unemployment, as well as the addition of two categories of non-charged benefits to existing law to protect the experience rating concept and to make the law more equitable for all employers. The effects of the categories are: (1) benefits paid to an individual whose eligibility depended upon his employment and wages earned in two or more states would not be charged to his Hawaii employer's reserve account; and (2) benefits overpaid because of ineligibility or disqualification would not be charged to an employer's reserve account.

S.B. No. 2326-76 in its original form proposed the establishment of a single basic contribution rate schedule with higher tax rates for negative reserve employers and a solvency rate schedule to maintain the trust fund. In considering this proposal, your Committee reviewed the fund's financial status. Under the current statutory provisions, there are three contribution rate schedules used to determine employers' contributions to the trust fund for a calendar year. The schedule used at any time is contingent on the balance in the trust fund. When the fund's balance falls below \$15 million, all employers contribute at the flat rate of 3.0%.

Your Committee questions the establishment of a single contribution schedule and solvency schedule combined with the maintenance of experience rating in determining employers' contributions to the trust fund. Your Committee does not believe this to be the most practical approach at the present time to replenish the fund and make it self-sustaining. If this proposal were implemented, some employers will be paying 2.3 percent, which is less than the current maximum flat rate of 3 percent, while others will be paying as much as 5.5 percent. The Department of Labor and Industrial Relations estimates that the average tax rate for most employers under this proposal will be 3.5 percent. While your Committee believes that this proposal has merit, testimonies indicated that it would cause hardship to small businessmen who would be forced to eventually pass any additional increase in their contribution rate on to the consumer. Your Committee sympathizes with their concerns but, nevertheless, feels the fund must be brought to a level whereby a reasonable balance can exist between monies paid into the fund and monies paid out. To accomplish this, your Committee believes that the most equitable method would be to defer experience rating and establish a uniform rate of 3.5 percent for all employer contributions for at least one year. This will mean a minimal .5 percent increase for each employer to absorb. According to the Department of Labor and Industrial

Relations, this would mean \$69.2 million paid into the fund in calendar year 1977. Further the department explained that if the unemployment rate for insured workers is at 6 percent, the benefits paid out would be \$55 million and the remainder from the contributions paid in and benefits paid out would amount to approximately \$13 million in reserves for the fund. Therefore, your Committee supports the flat 3.5 percent rate as provided in section 6 of S.B. No. 2326, S.D. 1.

The other proposed amendment to the current employment security law would require employers to report the hiring and termination of employees to the Department of Labor and Industrial Relations to prevent fraud. Currently, the Department requests information about an individual's employment at the time the individual first applies for benefits. The department testified that one of the problems it faces is obtaining current, verifiable information from employers for the prevention and detection of fraudulent claims. Your Committee feels that, if the department is to effectively administer the program, it needs the assistance and cooperation of employers. The proposed system of automatic reporting of hiring, laying off, and firing of employees by employers would improve the monitoring of claims and avoid further drain on the trust fund.

Your Committee is concerned over the effective date of the bill, especially for those amendments not relating to the employer contribution rates. Your Committee supports the January 1, 1977 effective date for the implementation of the 3.5% employer contribution rate but feels that other amendments should become effective on July 15, 1976. Your Committee believes that a reasonable time period is needed to inform all employers and employees of the effects of the measure. It would also serve to inform the general public of the major changes to the unemployment insurance program and would allow the department to revise its rules and regulations and operations to accommodate these changes. Therefore, your Committee feels that three months would provide an adequate transitional period for the department to implement these amendments.

Your Committee also recommends that by July 15, 1976, the Department of Labor and Industrial Relations prepare and distribute printed statements explaining the effects of this measure upon the unemployment insurance program. In accordance with section 383 -31, Hawaii Revised Statutes, employers are required to post and maintain such printed statements informing individuals in their employ of benefit rights, claims for benefits, and other such matters relating to the administration of the employment security law.

Your Committee further directs the Department of Labor and Industrial Relations to prepare and special notices to each claimant presently collecting benefits and notify each claimant initially qualifying for benefits that failure to apply or accept suitable work means disqualification from further unemployment insurance benefits until such claimant is reemployed for five consecutive weeks.

Generally, your Committee supports the amendments to the state's employment security law contained in this measure. Your Committee believes that these amendments are comprehensive and will correct certain weaknesses in the law. Because the benefit provision amendments are so closely integrated with those relating to the replenishment and maintenance of the unemployment trust fund, your Committee feels that any one amendment cannot be separated out from the others. Therefore, your Committee cautions that the amendments contained herein should be viewed in toto, as your Committee considers these proposals to be important to the effective administration of the state's unemployment program.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. 2326-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2326-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative Sutton did not concur.

SCRep. 777-76 Higher Education on S.B. No. 110

The purpose of this bill is to provide for the administrative transfer of Leahi Hospital from the University of Hawaii to the Department of Health.

Your Committee finds that all State hospitals, with the exception of Leahi Hospital, are under the control of the Department of Health. The transfer of Leahi Hospital would

place control of all State hospitals in a single agency, simplify policy implementation, and provide for direct supervision of those health care programs performed at Leahi Hospital which are the overall responsibility of the Department of Health. This in turn would lead to improved coordination that would result in better use of facilities and savings in operational costs.

It is the intent of this bill that the transfer of Leahi Hospital should not adversely affect any of the existing programs or personnel at Leahi. For this reason, your Committee believes that the John A. Burns School of Medicine should be kept currently informed of all plans and developments at the Leahi site.

Employees of the hospital were consulted by the Department of Health relating to the transfer. The employees agreed to the enactment of this transfer to the Department of Health.

Although the bill deals specifically with the transfer of employees and management of the hospital, your Committee is aware that a transfer of buildings and land agreed upon by both the University of Hawaii and the Department of Health will probably occur in the future, and relocation of University activities now at Leahi will be required.

Your Committee has amended the bill to insert the proper date on which the Act will become effective.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 110, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 110, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Abercrombie.

SCRep. 778-76      Consumer Protection and Commerce on S.B. No. 1780-76

The purpose of this bill is to give the Hawaii consumer greater protection in the area of door-to-door sales and to eliminate problems that have arisen because of conflicting requirements of Federal and State law.

In 1974, a Federal Trade Commission trade regulation rule regulating door-to-door sales became effective. According to testimony received, this has been a source of confusion because the requirements under the Federal rule are not the same as those under the present State law. That is, in some areas less is required under State law than under the Federal rule and in others more is required. This bill makes Federal and State law consistent by amending to conform to Federal law, those State provisions which afford less protection to the consumer. It also retains those State provisions which offer the consumer greater protection. Your Committee agrees that incorporating into State law those Federal provisions which afford consumers greater protection and retaining those State provisions which afford consumers greater protection, will benefit Hawaii consumers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. 1780-76, 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. 779-76      Consumer Protection and Commerce on S.B. No. 1785-76

The purpose of this bill is to allow the Office of Consumer Protection to maintain actions to collect civil penalties against those who violate any injunctive order pursuant to a court order obtained by the Office.

At present only the Attorney General may collect civil penalties for violations under Chapter 480, Hawaii Revised Statutes. Since the Office of Consumer Protection obtains injunctions under Chapter 480, the Office should be allowed to maintain actions to collect civil penalties against violators of injunctive orders.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. 1785-76, 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. 780-76 Consumer Protection and Commerce on S.B. No. 1553

The purpose of this bill is to prohibit the selling or dispensing in eating establishments of (1) imitation milk in place of fresh milk; (2) products which simulate cream but do not comply with content requirements for cream in place of cream, (3) non-dairy frozen desserts which do not comply with content requirements for dairy frozen desserts in place of dairy frozen desserts; and (4) any other imitation food or one made in semblance of a genuine food in place of such genuine food, unless the consumer is adequately informed of the substitution by proper labeling or a visible sign or notice.

Your Committee agrees that the public should be informed whenever imitation products are substituted for fresh products as provided in this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1553, S.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 781-76 Finance on S.B. No. 2603-76

The purpose of this bill is to establish within the Office of the Governor a Council for Housing and Construction Industry.

The proposed council, composed of twenty-four members representing the administration, the legislature, the county governments, and the various elements of the housing and construction industry, would survey the statewide needs for housing and suggest means of overcoming difficulties in meeting these needs through an examination of the governmental structure, activities and structures, as they relate to housing. In addition the council would provide research and analysis in the area of innovative building materials, analyze the existing mortgage financing structure and recommend means to help assure the maintenance of a viable market, establish a clearing house of information for the housing and construction industry, report its findings and activities in an annual report to the governor and legislature, and recommend specific administrative changes and legislative proposals.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2603-76, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 782-76 Finance on S.B. No. 2884-76

The purpose of this bill is to provide that the Executive Officer position of the Land Use Commission shall be exempt from civil service status.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2884-76, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 783-76 Finance on S.B. No. 2932-76

The purpose of this bill is to provide for a twelfth judge for the district court of the first circuit primarily to hear landlord-tenant and small claims matters.

This bill intends to alleviate the workload of the one district court judge who must hear both traffic trials and landlord-tenant and small claims matters. The addition of another judge to the complement of the district court of the first circuit would enable that court to bring its trials to a more current basis. Uniformity in decisions in landlord-tenant cases will hopefully be achieved by the passage of this bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2932-76, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 784-76 Finance on S.B. No. 2028-76

The purpose of this bill is to re-define the criteria governing employee entitlement to the annual 15 days military leave with pay.

Presently, any employee is entitled to military leave with pay, including those hired for short durations.

This bill would require a minimum appointment of six months before military leave with pay is granted to public officers and employees.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2028-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 785-76 Finance on S.B. No. 2235-76

The purpose of this bill is to expand the Student Conference Committee of the Secondary School Students Conference, by the inclusion of two students from schools represented by the Hawaii Association of Independent Schools.

The Secondary School Students Conference enables students in our secondary schools to identify, discuss, and arrive at recommended solutions to major problems. Conference communication with the private schools can be greatly facilitated through student planners from the Hawaii Association of Independent Schools.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2235-76, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 786-76 Finance on S.B. No. 1801-76

The purpose of this bill is to appropriate funds to compensate individuals pursuant to Chapter 351, Hawaii Revised Statutes, the Criminal Injuries Compensation Act.

Your Committee recommends that the sum of \$265,810.79 be appropriated from the general revenues of the State of Hawaii and be deposited into the Criminal Injuries Compensation Fund to be applied to making payments as authorized by the Criminal Injuries Compensation Commission. The total sum of \$265,810.79 represents 163 payments to victims, 60 payments for medical services, 30 payments for legal services and 2 payments for funeral services.

Your Committee on Finance is in accord in the intent and purpose of S.B. No. 1801-76, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 787-76 Finance on S.B. No. 1809-76

The purpose of this bill is to amend the Statutes governing the solicitation of students by agents of private and correspondence schools.

The bill increases the surety bond posted by agents from \$1,000 to \$2,000 and increases the fee for license application and renewal from \$5 to \$10. The bill also establishes a uniform license year.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1809-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 788-76 Finance on S.B. No. 1825-76

The purpose of this bill is to provide that the Special Land and Development Fund may be used to pay all appraisal costs incurred by the Department of Land and Natural Resources in the management of state lands, and to increase the permitted annual expenditure for the maintenance of state lands from \$25,000 to \$100,000, and to extend the lands covered from "public lands" to "all" lands under the control and management of the department.

Subsection (2) of HRS Section 171-19 permits the Board to use the Special Land and Development Fund for the incidental maintenance of public lands and improvements thereto. Expenditure is limited to \$25,000 in any single fiscal year. The Board is responsible for the conservation lands, forest reserves, state park lands, lands set aside by Governor's executive orders, and Hawaiian Home Lands returned to the Department for control and management. This bill will allow the use of the Special Fund for incidental maintenance of all the state lands for which the Board is responsible.

Subsection (4) authorizes the Board, without further legislative action, to use the Special Land and Development Fund to pay reimbursable appraisal fees "upon collection of the fees" from purchasers and/or lessees of the lands appraised. The Board incurs numerous appraisal costs for which no reimbursement is received and which reimbursement is not required by law.

This bill would permit the Board to pay both reimbursable and non-reimbursable appraisal fees from the Special Fund and provide that the Special Fund would be reimbursed to the extent such fees are collected from purchasers or lessees of state lands.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1825-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 789-76 Finance on S.B. No. 2267-76

The purpose of this bill is to allow the Department of Transportation to establish developmental rates for the renting or leasing of State airport facilities for general aviation activities.

Your Committee supports the findings set forth in House Standing Committee Report No. 720-76.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2267-76, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 790-76 Finance on S.B. No. 2105-76

The purpose of this bill is to provide for a second judge for the Second Circuit.

The increasing number of cases pending at the end of each fiscal year indicates that the current judge and staff serving Maui court's 53,018 population is insufficient to safeguard the rights and interests of persons by assuring an equitable and expeditious judicial process. The number of cases filed and pending is approaching the caseload of the Third Circuit (Hawaii) which has a complement of two judges and staff.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2105-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 791-76 Finance on S.B. No. 2027-76

The purpose of this bill is to authorize the establishment of rules and regulations to cover those cases when an earlier or later effective date of reallocation would more appropriately reflect the actual change in work assignments.

Presently, the statute provides that reallocations be made effective retroactively to the beginning of the pay period immediately following the date the request for reallocation was filed with the Director of Personnel Services. The specificity of the language does not permit the use of more appropriate effective dates as circumstances warrant.

Your Committee agrees with the findings expressed in House Standing Committee Report No. 659-76.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2027-76 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 792-76      Health on S.B. No. 525

The purpose of this bill is to prohibit the willful and false representation of any devices, substance, method or treatment as effective in the diagnosis, cure, mitigation, treatment or alleviation of cancer.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 525, 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. 793-76      Energy and Transportation on S.B. No. 269

The purpose of this bill is to require persons selling or offering to sell motorcycles or motor scooters to provide a safety helmet, safety glasses, goggles, or a face shield if not equipped with windscreens or windshields, and other required protective devices, provided that the purchaser may provide such protective devices.

Your Committee has amended this bill to eliminate the requirement of wearing a safety helmet by operators and passengers of motorcycles and motor scooters who are not less than 18 years old. The Act also limits provision of safety equipment accompanying purchases to persons who are in the business of selling, renting, or leasing motorcycles or motor scooters.

Under present law, all riders and passengers must wear (A) a safety helmet securely fastened with a chin strap; (B) safety glasses, goggles, or a face shield, in the case of a motorcycle or motor scooter that is not equipped with windscreens or windshields; and (C) any other protective devices required by rules and regulations adopted by the state highway safety coordinator. Also, under present law, no person may sell, lease, or rent a motorcycle or motor scooter to another person unless he furnishes the equipment named above.

Your Committee finds that, while motorists safety is an unarguable concern, equipment alone does not ensure freedom from accidents or injury. Riders must be aware of possible hazards involving vehicle condition, traffic patterns, weather conditions, and individual skills. Each person must exercise caution and critical judgment in assessing his or her ability to operate a motorcycle or motor scooter, including the wearing of safety equipment.

Your Committee has amended the bill to require mufflers on motorcycles and motor scooters, which must conform to rules and regulations to be adopted by the highway safety coordinator.

Other technical and style amendments were made.

Your Committee on Energy and Transportation is in accord with the intent and purpose of S.B. No. 269, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as .S.B. No. 269, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 794-76          Judiciary on S.B. No. 1855-76

The purpose of this Bill is to amend Section 286-102 (b), Hawaii Revised Statutes to place buses with a gross vehicle weight rating of ten thousand pounds or less in another category of motor vehicles.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1855-76, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 795-76          Judiciary on S.B. No. 1992-76 (Majority)

The purpose of this bill is to reapportion the congressional districts in the State of Hawaii in accordance with the United State Constitution.

Your Committee finds that the present apportionment of the two congressional districts in the State of Hawaii using the latest registered voters figures is weighed heavily in favor of the first congressional district. The first congressional district is over-represented and the second congressional district is under-represented, the deviations being +9,910 registered voters, or +6.84%.

In Wesberry v. Sanders, Wells V. Rockefeller and Kirkpatrick v. Preisler, the United States Supreme Court has enunciated that the United States Constitution in Article I, Section 2, "requires that States create congressional districts which provide equal representation for equal numbers of people."

In recognition of this criterion, your Committee sought to devise a congressional districting plan which would achieve absolute equality in the number of registered voters in each congressional district. The district plan under S.B. No. 1992-76 has a deviation of +0.18%. Your Committee reviewed the plan and a number of other different proposals. Upon review and consideration of all the proposals, your Committee recommends the following congressional districting plan:

First Congressional District: the seventh through the eighteenth representative districts, and precincts three to six of the nineteenth representative district, excepting that portion of the third and fourth precincts of the nineteenth representative district bounded by Waimano Home Road, Komo Mai Drive, the Waimano-Waiiau boundary and Noelani Street.

Second Congressional District: the first through the sixth and the twentieth through the twenty-seventh representative districts, precincts one and two of the nineteenth representative district and that portion of precincts three and four of the nineteenth representative district bounded by Waimano Home Road, Komo Mai Drive, the Waimano-Waiiau boundary and Noelani Street.

The number of registered voters in the congressional districts are as follows:

<u>No. of Registered Voters in Congressional Districts</u>		
<u>First</u>	<u>Second</u>	<u>Deviations</u>
144,877	144,931	R.V.    % 54    0.018

The plan has a deviation of +0.018% which is the lowest deviation of the several plans considered. The deviation of +0.018% was unavoidable despite a good faith effort by your Committee to achieve absolute equality.

This near absolute equality was achieved under the districting plan which maintains homogeneous voting populations and avoids the submergence of one socio-economic group in a district in which another socio-economic class predominates. The effect of splitting a "community of interest" may be crucial if it tends to submerge any segment of the community into a larger community having different interests and commonalities. The expansion of the first congressional district westward into central Oahu seemed the most reasonable means of maintaining the urban complexion of the district. To consider boundary adjustments in other directions would have resulted in submerging mixed agricultural interests into a larger and predominantly urban "community of interest." The congressional districting in 1969 had resulted in the first congressional district

being substantially an urban district and the second congressional district being substantially a suburban, rural and agricultural district. The districting plan proposed under the bill, as amended herein, continues this similar division.

In its considerations, your Committee also used clear geographical features as easily recognizable lines to form district boundaries. Such features included major streets, streams, mountains, and valleys.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1992-76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1992-76, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representatives Fong, Medeiros, Santos and Sutton did not concur.

SCRep. 796-76      Health and Judiciary on s.B. No. 2709-76

The purpose of this Act is to amend certain portions of Chapter 334, Hawaii Revised Statutes, relating to "Mental Health, Mental Illness, Drug Addiction, and Alcoholism." The amendments proposed in this bill are made pursuant to the February 24, 1976 Order on Motion for Summary Judgement of the Honorable Samuel P. King, District Court Judge for the United States District Court for the State of Hawaii in Suzuki, et al. v. Quisenberry, et al. which declared unconstitutional Sections 334-51 (a) (2) and (5), 334-53, 334-54 (f), 334-71 (a), and 334-73, Hawaii Revised Statutes. In addition, Sections 334-76, 334-81 and 334-86, Hawaii Revised Statutes, are amended following Judge King's finding that these sections as written and as applied were in violation of the due process clause of the Fourteenth Amendment.

Your Committees find that other recent State, Federal and Supreme Court decisions have required clarification of procedures to conform to due process requirements for involuntary civil commitment.

Your Committees have made substantive changes to this bill with respect to the areas of emergency admission and initiation of such proceeding and involuntary hospitalization and discharge. The proposed amendment provides that a police officer may take into protective custody and transport to any facility designated by the director any person whom he has probable cause to believe is committing an offense due to apparent mental illness or intoxication, and appears to present an imminent danger to property, himself or others. Your Committees find that the standard relating to probable cause of the commission of an offense offered in its amendment follows current Federal and State Court decisions relating to this area. In addition, the officer shall make and transmit an application concerning the protective custody to some physician at the facility.

Your Committees recommend that upon application of any licensed physician, attorney, member of the clergy, licensed health or social service professional or any State or county employee in the course of his employment, a judge may enter an ex parte order stating that there is probable cause to believe a person meets the criteria for emergency admission. Such order may be issued orally, such as through telephone communication, or may be in writing. If such ex parte order is written, it must be issued within forty-eight hours of the application. Your Committees find that the patient should be examined without delay and should be given such treatment as is indicated by good medical practice.

Your Committees concur that at any time the examining physician concludes that the patient need not be hospitalized, the patient shall be discharged immediately, unless criminal charges are pending. In any event, your Committees concur that the patient must be released within forty-eight hours of his admission, unless he has agreed to evaluation and hospitalization, or a proceeding for court-ordered evaluation and/or hospitalization is initiated as provided in this bill.

With respect to emergency treatment of the patient by the examining physician, your Committees find that if the patient is suffering from substance abuse or is dangerous to himself, others, or to property, and is in need of care, or treatment, the physician may call the judge for an order authorizing emergency treatment or care pending petition for commitment to a psychiatric facility.

Your Committees have also proposed substantial amendments relating to admission for nonemergency treatment or supervision for a minor.

Your Committees recommend that in the instance of the discharge of a voluntary patient which would be dangerous to the patient or others, proceedings for involuntary hospitalization must be initiated as described above as soon as possible, and within twenty-four hours.

In the areas of initiation of court-ordered commitments, discharge from custody of a facility, transfer of a patient between psychiatric facilities and transfer of a resident of a correctional facility to a psychiatric facility, your Committees have delineated the procedure which the petitioner must follow and have specified the necessary requirements which the petition and necessary papers must meet. In addition, your Committees have set forth the categories of relatives and representatives who may file such petition.

Your Committees have also stated what constitutes proper notice and have conformed the area relating to service of personal notice for court-ordered commitments, discharge from custody of a facility, transfer of a patient between psychiatric facilities and transfer of a resident of a correctional facility to a psychiatric facility to the procedure for notice outlined in Section 1-401, Uniform Probate Code. Notice shall also be given in these proceedings to persons the Court may designate. Your Committees note that as set forth in Section 802-1, Hawaii Revised Statutes, the public defender shall be the primary legal counselor to receive such notice, however, other attorneys may also receive such notice.

With respect to the period of detention, your Committees agree that the psychiatric facility may detain a subject for a period of time ordered by the court not to exceed ninety days from date of admission unless sooner discharged pursuant to Section 334-76 or Section 334-74, Hawaii Revised Statutes, or unless the patient was committed pursuant to Sections 406, 411, and 607 of the Hawaii Penal Code. Your Committees recommend that the administrator of a psychiatric facility may discharge an involuntary patient when he is no longer subject to commitment or when further treatment will not be likely to bring about significant improvement in the patient's condition. If continued hospitalization is necessary, the administrator shall apply to the court for an order authorizing continued hospitalization, and the procedure for notice and persons to receive notice shall be followed as stated above.

Your Committees agree that failure to timely notify the applicable categories of persons named above in this report may be grounds for adjournment or continuance of the hearing on the petition for involuntary hospitalization beyond the ninety day period. Your Committees recommend that only in exceptional cases shall the court hear the petition more than ten days after the date the petition is filed.

Your Committees have established standards for the hearing of the petition for involuntary hospitalization and have eliminated the suggested provisions relating to right of appeal and compensation of a testifying physician.

During the course of the hearing, your Committees recommend that the court may make a temporary order committing a patient to a psychiatric facility for a period of not more than five days for the purpose of a diagnostic examination and evaluation. In the event the court finds beyond a reasonable doubt that the criteria for involuntary hospitalization has been met, a patient may be either admitted or retained, as the case may be, for ninety days at the psychiatric facility.

Your Committees recommend that at the end of the ninety-day period, the patient shall be discharged automatically, except as provided in Section 406, 411 and 607, Hawaii Penal Code, unless the facility before expiration of the period obtains a court order for his recommitment for a further period of ninety days unless sooner discharged; provided that prior to discharge of a patient, who upon admission was deemed dangerous to others or to property, notice as provided in Section 1-401, Uniform Probate Code, shall be given to those persons, except grandparents, as specified in Section 5-207, Uniform Probate Code, in the case of a minor and Section 5-309, Uniform Probate Code, in the case of an adult.

Your Committees have proposed procedures to be followed if a question of abridgement of civil rights of a patient arises and standards for service of process and papers upon patients.

With respect to transfer of a patient between psychiatric facilities, your Committees recommend that proper notice must be given for either intra- or interstate transfer.

In the event of the transfer of a resident of a correctional facility to a psychiatric facility, your Committees recommend specific procedures for such transfer application

and finds that a hearing with proper notice must be held by the same circuit court which sentenced the resident and the sentencing judge should preferably hold such hearing.

Your Committees recommend that if a director of a facility contemplates the discharge of a person deemed dangerous to others or to property at the time of his admission, the director must send notice within ten days of the date of the contemplated discharge. Such patient may be discharged within ten days of such notice unless one of the interested persons who must receive notice files a petition to show cause to object to such release. Upon such filing of petition, the court shall hold a hearing.

In addition, your Committees recommend the following amendments:

(1) Elimination of the proposed definitions to be added to Section 334-1, Hawaii Revised Statutes, and substitution of other definitions pertinent to the area of mental health. Your Committee has conformed the definitions of "guardian", "incapacitated person", "interested person", and "protected person" to those provided in the Uniform Probate Code.

(2) Creation of the definition of a "mentally ill person" and modification of the definition of "person suffering from substance abuse".

(3) Elimination of the proposed amendment to Section 334-3 (a), Hawaii Revised Statutes, which would authorize the department of health to provide programs relating to consultation services to law enforcement agencies and correctional institutions, and to comprehensive mental health services.

(4) Elimination of the proposed amendment to Section 334-3 (b), Hawaii Revised Statutes, which relates to the department of health's establishment of standards and regulations for administering treatment to patients and providing special treatment facilities.

(5) Elimination of the proposed amendment to Section 334-25, Hawaii Revised Statutes, relating to suspension of civil rights upon court order.

(6) Elimination of the proposed Section 334- , Hawaii Revised Statutes, relating to patients from without the State.

Your Committees on Health and Judiciary are in accord with the intent and purpose of S.B. No. 2709-76, S.D. 2 as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2709-76, S.D. 2, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Lee, Cobb, Sakima, Yap, Amaral, Clarke, Fong, Evans, Lum and Sutton.

SCRep. 797-76 Finance on S.B. No. 1874-76 (Majority)

The purpose of this bill is to establish by statute the percentage of fair market value at which real property is assessed.

Your Committee finds that increasing real property values each year have raised the assessment and resulting taxes on such property to overburdensome levels for the people of this State. Fixing the percentage of fair market value at which such property is assessed at a level lower than the present 70 per cent will provide relief for these persons. However, your Committee believes that pending the recommendations of the Reorganization Commission, the assessment ratio should be temporarily established at a level which would insure that each county would receive revenues at least six per cent greater than the previous year without having to adjust the property tax rates. Therefore, your Committee has amended the bill in order that the 60 per cent assessment ratio apply only to counties with populations exceeding 100,000. Your Committee has amended the bill making the provisions herein applicable only to the tax year ending June 30, 1977.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1874-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1874-76, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Morioka.

Representatives Amaral and Hakoda did not concur.

SCRep. 798-76      Legislative Management

Informing the House that House Resolution Nos. 497 to 505, House Concurrent Resolution Nos. 96 and 97, and Standing Committee Report Nos. 740-76 to 797-76, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 799-76      Judiciary on S.B. No. 1798-76

The purpose of this Act is to authorize the attorney general to defend any civil action or proceeding brought in any court against any employee of the State for damage to property or for personal injury occurring within the scope of employment.

Your Committee finds that the creation of a new section within Chapter 662, Hawaii Revised Statutes, authorizing the defense of state employees formally codifies the present policy of the attorney general with respect to state employees.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1798-76, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Stanley, Carroll, Fong, Medeiros and Sutton.

SCRep. 800-76      Judiciary on S.B. No. 1623-76

The purpose of this bill is to prevent sex bias in our public school system by eliminating the channeling of students into stereotyped sex roles. This bill ensures that no person shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational or recreational program or activity receiving State financial assistance or utilizing State facilities.

Your Committee concurs that encouragement and reinforcement of stereotyped sexual roles in our society is antithetical to the free flow of creativity that makes our society unique. Sexual stereotyping only serves to stifle such creativity and replaces it with a categorization of actions, interests, and occupations persons are pressured to assume.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1623-76, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cobb, Lee, Yap, Carroll, Fong and Sutton.

SCRep. 801-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 262

The purpose of this Resolution is to request the Department of Land and Natural Resources to plan for the inclusion of South Kohala, Waikaloa, and the Mauna Loa lands in the master plan for the Lapakahi project.

The areas adjacent to or in the immediate vicinity of the Lapakahi project such as South Kohala, Waikaloa, and the Mauna Loa lands are known to be repositories of important archaeological and historic sites and artifacts. Your Committee feels the State should actively plan for the expansion of the Lapakahi project because of the potential availability of additional federal funds for purposes related to the Lapakahi project.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 262 and recommends its adoption.

Signed by all members of the Committee except Representatives Morioka and Fong.

SCRep. 802-76 Higher Education on H.R. No. 362

The purpose of this resolution is to express support for the Joint School of Law-Legislative Reference Bureau projects.

Your Committee heard testimony from the Dean of the Law School and from several law students and faculty and finds as follows:

Your Committee is aware that as a result of the interest and initiative of members of the University Law School community, plans for a joint Law School-Legislative Reference Bureau Policy Workshop have been developed. The purpose of the Policy Workshop is to provide law students with the opportunity to gain valuable clinical experience and insight into the operation of the legislative process. At the same time, the students under the supervision of a law professor will be able to contribute to the Legislative Reference Bureau's efforts to provide the State government with meaningful and intelligible background reports.

Your Committee is aware that the initial project of the Policy Workshop will involve law students and faculty working cooperatively with the Bureau personnel on the juvenile rights study mandated by the Legislature during the 1975 Legislative Session. The study involves a three year survey of juvenile's rights with respect to public health and welfare, the criminal justice system and educational process. The cooperative working arrangement will allow students to gain a critical and comprehensive view of the legal order, as well as offer the Legislative Reference Bureau assistance in a complex and evolving area of the law.

Your Committee believes that the Joint Law School-Legislative Reference Bureau project exemplifies an ideal, mutually benefitting relationship in line with the original hope underlying the establishment of the law school that it would provide legal assistance to the State Government and to the community.

Therefore, your Committee believes this program is a meritorious one and deserves this resolution's expression of support.

Due to your Committee's interest in this project, your Committee has amended the resolution to request that a report of the project by the Law School and the Legislative Reference Bureau be submitted to the Legislature twenty days prior to the next Legislative Session.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 362, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 362, H.D. 1.

Signed by all members of the Committee except Representatives Takamura, Abercrombie and Shito.

SCRep. 803-76 Higher Education on H.R. No. 363

The purpose of this resolution is to express support for the various programs initiated by the School of Law to serve the interests and needs of the community.

Your Committee is aware that in addition to providing legal education to its students, the Law School has been actively involved in providing services and resources to the community. The Law School has provided educational seminars for the police department and the general public on current legal developments on timely issues; helped in the establishment of the paralegal education program at Kapiolani Community College; and acted as a source of independent critical analysis of governmental agencies' work.

Your Committee is also aware that the Law School is currently planning a continuing education program for the Hawaii Bar to keep local attorneys abreast of developments in the legal field. Lastly, the Law School is planning the establishment of a law clinic to help provide legal services to the many persons financially unable to hire private counsel.

Your Committee believes that these programs have and will enrich the University and the State and well deserve this resolution's expression of support.

Your Committee has amended the resolution to more precisely describe the Law School's efforts.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 363, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 363, H.D. 1.

Signed by all members of the Committee except Representatives Takamura and Abercrombie.

SCRep. 804-76 Energy and Transportation on H.R. No. 397 (Majority)

The purpose of this Resolution is to request the Department of Transportation to prohibit the use of Bellows Field as a light aircraft landing port.

Your Committee heard testimony from residents of Waimanalo and from the Waimanalo Neighborhood Board favoring this resolution and expressing the community's strong opposition to the airport at Bellows Field.

The Department of Transportation and the General Aviation Council expressed concern that Kentron be allowed to continue its study, the Oahu General Aviation Master Planning Study, without restraint.

Your Committee has amended this resolution to prohibit use of Bellows Field as a light aircraft landing port until such time that the State Legislature shall make a formal determination as to the best sites for a general aviation airport on the island of Oahu.

Your Committee on Energy and Transportation concurs with H.R. 397 as amended herein and recommends its adoption in the form attached hereto as H.R. No. 397, H.D. 1.

Signed by all members of the Committee.

Representatives Carroll, Clarke and Larsen did not concur.

SCRep. 805-76 Energy and Transportation on H.R. No. 217

The purpose of this resolution is to request the City and County of Honolulu to make a speedy decision on establishing an energy resource facility for the conversion of solid wastes into an energy source.

The City Department of Public Works testified before your Committee that specifying the production of electricity by pyrolysis would be too restrictive. Accordingly your Committee has amended this resolution to broaden its language and its title by deleting reference to pyrolysis and using "energy recovery facility" instead.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 217 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 217, H.D. 1.

Signed by all members of the Committee except Representative Clarke.

SCRep. 806-76 Energy and Transportation on H.R. No. 408

The purpose of this Resolution is to request the Department of Transportation to expedite the replacement of bridges and culverts along the Hana Highway.

Your Committee heard testimony from the Department of Transportation and the Hawaii Trucking Association favoring this Resolution and attesting to the poor condition of these bridges and culverts and the potential hazard of the situation.

On November 21, 1975, the Highways Division of the State Department of Transportation informed Maui trucking firms that a 10-ton weight limit was being imposed on State Highway 36 between Kailua Village and Hana Town.

As a result of this weight limitation goods will have to be shipped in smaller and lighter vehicles increasing shipping time as well as the cost of goods and services in Hana.

Your Committee finds that the State must take positive action in order to prevent

a disaster from occurring on the Hana Highway and in order to prevent severe economic hardships from being imposed on the residents of Hana.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 408 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 807-76      Energy and Transportation on H.C.R. No. 71

The purpose of this Resolution is to request the Department of Transportation to expedite the replacement of bridges and culverts along the Hana Highway.

Your Committee heard testimony from the Department of Transportation and the Hawaii Trucking Association favoring this Resolution and attesting to the poor condition of these bridges and culverts and the potential hazard of the situation.

On November 21, 1975, the Highways Division of the State Department of Transportation informed Maui trucking firms that a 10-ton weight limit was being imposed on State Highway 36 between Kailua Village and Hana Town.

As a result of this weight limitation goods will have to be shipped in smaller and lighter vehicles increasing shipping time as well as the cost of goods and services in Hana.

Your Committee finds that the State must take positive action in order to prevent a disaster from occurring on the Hana Highway and in order to prevent severe economic hardships from being imposed on the residents of Hana.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.C.R. No. 71 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 808-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 383

The purpose of this Resolution is to request the Department of Land and Natural Resources to adopt rules relating to the protection and preservation of the Kona crab.

Your Committee concurs with the Department of Land and Natural Resources' proposal of prohibiting the taking of Kona crabs during the months of June, July and August. This will provide a management measure that will enhance the reproductive potential of the Kona crab. Studies conducted by the Division of Fish and Game on the Kona crab revealed that female Kona crabs are carrying external eggs only during the months of May through September. The greatest percentage occurred during June, July, and August.

The popularity of the Kona crab as a local food product is increasing and such present and future demands may endanger the Kona crab population.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.R. No. 383 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 809-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 304

The purpose of this Resolution is to request the Hawaii Institute of Marine Biology to continue research on the noxious Kahala fish.

In Hawaii, the incidence of the disease known as ciguatera has been low except for two major outbreaks, one in 1964 when five persons were severely stricken and two died; the other in February and March of 1974, when about 90 persons were poisoned and a number hospitalized. As most of those in the last outbreak became ill from eating Kahala, the State Board of Health has banned the commercial sale of larger individuals

of the Kahala species, and Kahala is one of Hawaii's important market fishes.

Tropical fishes associated with coral reefs may carry a group of toxins that cause ciguatera. The onset of the disease may be marked by gastrointestinal disorders but it is basically a neurological disease in which the signs and symptoms range from a mere tingling of the skin and mouth to paralysis and, rarely, to death.

The disease producing fishes are found circumtropically and especially about the islands of the central Pacific. The World Health Organization regards the problem of ciguatera to be of major health importance for populations on tropical islands.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.R. No. 304 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 810-76          Culture and the Arts on H.R. No. 223

The purpose of this resolution is to request the Department of Land and Natural Resources, as an initial protective measure, to study and to report on the feasibility of naming Kawaiinui Swamp to the Hawaii Register of Historic Places, and subsequently to request the Hawaii Historical Places Review Board to petition their national counterpart to establish the Kawaiinui Swamp as a National Historic Site.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 223 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 811-76          Culture and the Arts on H.C.R. No. 87

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to submit a progress report in developing a cultural-recreational park at Kahana Valley.

The residents of Kahana Valley have exhibited a deep feeling for the land they live and work on; a love of their valley's mountains, streams, plants, and ocean; a common desire to preserve the quiet dignity of their fading Hawaiian lifestyle; and a spirit of community which they would like to share, if given the opportunity, with everyone.

Unique in concept, the creation of a living park in Kahana will incorporate the residents of the valley and their culture as perhaps the valley's most valuable cultural enrichment and environmental educational resource and contributor to its recreational value.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.C.R. No. 87 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 812-76          Culture and the Arts on H.R. No. 263

The purpose of this resolution is to request the Department of Land and Natural Resources to submit a progress report in developing a cultural-recreational park at Kahana Valley.

The residents of Kahana Valley have exhibited a deep feeling for the land they live and work on; a love of their valley's mountains, streams, plants, and ocean; a common desire to preserve the quiet dignity of their fading Hawaiian lifestyle; and a spirit of community which they would like to share, if given the opportunity, with everyone.

Unique in concept, the creation of a living park in Kahana will incorporate the residents of the valley and their culture as perhaps the valley's most valuable cultural enrichment and environmental educational resource and contributor to its recreational value.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 263, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 813-76 Consumer Protection and Commerce on H.C.R. No. 86

The purpose of this concurrent resolution is to request the City and County of Honolulu to promptly implement a program to control the location and character of adult motion picture theaters.

Your Committee finds that the public distribution and exhibition of motion pictures almost wholly concerned with the graphic demonstration of sexual behavior has increased drastically in the City and County of Honolulu; that such films are regularly shown in the entertainment areas of Waikiki and the central business district, and increasingly in theaters located in residential areas throughout the county; that dramatic advertising of such motion pictures convey explicit messages to all citizens, including children and those adults who find such displays vulgar and repugnant. Your Committee further finds that such business activity should be properly regulated to protect not only constitutionally guaranteed rights of free speech but also constitutional rights of privacy accorded to those who would not patronize adult motion picture establishments and that it is a valid exercise of the police power of government to protect the public health, safety, and welfare to limit the location of adult motion picture theaters to specified districts and set standards on permitted display advertising.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 86 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 814-76 Consumer Protection and Commerce on H.R. No. 451

The purpose of this resolution is to request the City and County of Honolulu to promptly implement a program to control the location and character of adult motion picture theaters.

Your Committee finds that the public distribution and exhibition of motion pictures almost wholly concerned with the graphic demonstration of sexual behavior has increased drastically in the City and County of Honolulu; that such films are regularly shown in the entertainment areas of Waikiki and the central business district, and increasingly in theaters located in residential areas throughout the county; that dramatic advertising of such motion pictures convey explicit messages to all citizens, including children and those adults who find such displays vulgar and repugnant. Your Committee further finds that such business activity should be properly regulated to protect not only constitutionally guaranteed rights of free speech but also constitutional rights of privacy accorded to those who would not patronize adult motion picture establishments and that it is a valid exercise of the police power of government to protect the public health, safety, and welfare to limit the location of adult motion picture theaters to specified districts and set standards on permitted display advertising.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 451 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 815-76 Legislative Management

Informing the House that House Resolution Nos. 506 to 520, House Concurrent Resolution Nos. 98 and 99, Standing Committee Report Nos. 799-76 to 814-76, Floor Amendments to Senate Bill No. 714, S.D. 1, H.D. 4, Senate Bill No. 2527-76, S.D. 1, H.D. 1, Senate Bill No. 2467-76, S.D. 1, H.D. 2, and Senate Bill No. 1758-76, S.D. 2, H.D. 2, and Minority Report Dissent to Stand. Com. Rep. No. 716-76, S.B. No. 714, S.D. 1, H.D. 3, have been printed and distributed.

Signed by all members of the Committee.

## SCRep. 816-76 Legislative Management

Informing the House that House Resolution Nos. 521 to 523, House Concurrent Resolution Nos. 100 and 101, and Standing Committee Report Nos. 817-76 to 835-76, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 817-76      Consumer Protection and Commerce on S.B. No. 2929-76  
(Majority)

The purpose of this bill is to strengthen the law relating to approval of new industrial loan company applications and to allow the bank examiner, when there is a transfer of corporate control of an industrial loan company, to limit or modify the corporate license to engage in business as an industrial loan company.

Under present law, the bank examiner must find that three conditions are satisfied before approval of an application for a license to operate as an industrial loan company. These conditions are (1) that the financial responsibility, experience, character and general fitness of the applicant and its respective officers are such to command the confidence of the community and warrant belief that the business will operate honestly, fairly and efficiently, (2) that the applicant will promote the convenience and advantage of the community in which the business of the applicant is to be conducted, and (3) that the applicant has capital of at least \$100,000 for the operation of the business.

This bill adds an additional condition that must be satisfied prior to approval, i.e., that allowing the applicant to engage in the business will not substantially lessen competition or tend to create a monopoly or in any other manner be in restraint of trade. Your Committee finds that the question of whether approval of an application will substantially lessen competition is an important factor to be considered in approving or disapproving an application for an industrial loan license as a lessening of competition would be detrimental to the interest of consumers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2929-76 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative Carroll did not concur.

SCRep. 818-76      Agriculture on H.R. No. 197

The purpose of this resolution is to request the Congress of the United States to enact a new Sugar Act.

Historically sugar has been one of the most regulated commodities in world trade and a source of tariff revenues for virtually every country in the modern world at one time or another. The U.S. Sugar Act was a self-supporting program which provided for orderly marketing of sugar on the basis of a quota system. On December 31, 1974 the Sugar Act expired, at a time when world sugar supplies and prices were abnormally high.

Your Committee finds that virtually all countries regulate domestic supplies and prices leaving only limited supplies to enter the free market. Domestic U.S. prices have been sharply influenced by the speculative impact of free sugar prices. Restoration of an import quota system will restore a balance in domestic supply and demand, and promote the stability of our domestic sugar industry and stability to our traditional suppliers.

Your Committee further finds that sugar is Hawaii's largest agricultural export commodity, and that in view of the increasing world wide consumption of sugar, restoring the Sugar Act quota system will: (1) assure consumers of adequate supplies at reasonable prices, (2) restore a balance to the sugar trade, and (3) favor recommitment of the sugar industry's resources to increased production of sugar.

Your Committee has amended this resolution to delete reference to the acreage of crop lands in the State devoted to sugar production.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 197 as amended herein, and recommends that it be adopted in the form attached hereto as H.R. No. 197, H.D. 1.

Signed by all members of the Committee except Representatives Abercrombie and Abercrombie.

SCRep. 819-76      Agriculture on H.R. No. 187

The purpose of this resolution is to request the Department of Agriculture to study and evaluate its existing farm loan procedures.

Your Committee finds that reevaluation of the State Farm Loan Program may uncover areas where improvements can be made to existing loan methods and procedures. The Farm Loan Program is of vital importance to the agricultural industry in Hawaii, and it is imperative that the loan program's operations be subject to continuous reevaluation.

Your Committee has amended this resolution to specifically suggest that computerization of the Farm Loan Program should be considered. Your Committee on Agriculture further requests the Department of Agriculture to consult with the Committee on the study.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 187, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 187, H.D. 1.

Signed by all members of the Committee except Representatives  
Abercrombie and Morioka.

SCRep. 820-76      Agriculture and Higher Education on H.R. No. 423

The purpose of this Resolution is to direct the College of Tropical Agriculture to allocate from its research budget \$16,000 specifically for a research program on dairy reproduction problems to be conducted by the department of animal sciences.

In Hawaii, there has been a trend toward fewer but larger dairies and these dairies have a large number of high-producing Holstein cows which are kept in crowded drylot corrals in a hot climate and fed a high concentrate ration. As a result of these conditions, reproductive diseases and failures have become a serious problem causing financial losses to the dairy industry.

The College of Tropical Agriculture research program on reproductive problem in dairy cattle has recognized five or six possible contributing factors to reproductive failure in dairy cows. Routine tests have revealed half of the dairy herds tested in Hawaii have a marginal anemia that may contribute to reproductive failure. Bacterial infections of the reproductive tracts of dairy animals must be studied further to determine if there is any correlation between the infection and reproductive failure.

Your Committees recognize that reproductive failure in dairy cows is of high priority to dairy producers in our state and that increased financial support for research on dairy reproduction is needed.

Your Committees have amended the resolution by deleting the \$16,000 from the College of Tropical Agriculture's research budget and inserted "increased support" in lieu thereof.

Your Committees on Agriculture and Higher Education concur with the intent and purpose of H.R. No. 423 as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 423, H.D. 1.

Signed by all members of the Committees except Representatives  
Abercrombie and Morioka.

SCRep. 821-76      Agriculture and Higher Education on H.R. No. 296

The purpose of this resolution is to request the College of Tropical Agriculture to evaluate the Branch Station network of the Hawaii Agricultural Experiment Stations with a view towards increasing effectiveness and flexibility.

Your Committees find that the Hawaii Agricultural Experiment Station network consists of branch stations and satellite experiment sites on each island. Most of the branch stations and experiment stations were established in the early 1960's by the 29th and 30th Territorial Legislatures. However, because of changes in the State's agriculture industry some of these stations are no longer useful or accessible to the agriculture community thereby lessening its effectiveness and impact. Therefore, your Committees are of the opinion that some changes in the number and locations of the field experiment

stations are desirable.

In its testimony, the College of Tropical Agriculture has proposed the development of mobile experiment stations to better serve the farmers of the State. Your Committees believe that this idea is worthy of close examination and could be combined with a program of field demonstrations and agricultural service from the Cooperative Extension Service. Your Committees have therefore amended the resolution to provide for an interim committee composed of members from the Committees on Agriculture and Higher Education to work with the College of Tropical Agriculture in evaluating the Branch Station network, and to propose improvements in the network which promote coordination with the agricultural service program of the Cooperative Extension Service.

Your Committees have further amended the resolution by providing certified copies of the Resolution to the Chairperson of the House Committee on Agriculture and the Chairperson of the House Committee on Higher Education.

Your Committees on Agriculture and Higher Education concur with the intent and purpose of H.R. No. 296, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 296, H.D. 1.

Signed by all members of the Committees except Representatives  
Abercrombie and Morioka.

SCRep. 822-76      Agriculture and Water, Land Use, Development, and Hawaiian  
Homes on H.R. No. 297

The purpose of this resolution is to request the Department of Agriculture, in cooperation with the Departments of Taxation and Planning and Economic Development, to review the status, impact and effectiveness of Act 175, Session Laws of Hawaii, 1973, which established a tax incentive program to promote the dedication of land for ranching or agricultural use.

Your Committees find that mainland preferential tax assessment programs seem to be ineffective as a land use management technique for preventing speculation and urban encroachment on agricultural lands. Since Act 175, Session Laws of Hawaii, 1973 establishes such a preferential tax assessment program for Hawaii, your Committees feel it is timely than an evaluation of this program's effectiveness be made, in view of your Committees' intention to promote the preservation of agricultural lands.

The report requested should include a complete listing and status of agricultural lands, with respect to Act 175, in and adjacent to urban areas as well as lands that are in the path of urban encroachment.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.R. No. 297 and recommend its adoption.

Signed by all members of the Committees except Representatives  
Abercrombie and Morioka.

SCRep. 823-76      Agriculture and Water, Land Use, Development, and Hawaiian  
Homes on H.R. No. 323

The purpose of this resolution is to request the Department of Agriculture, in cooperation with the Departments of Planning and Economic Development and Land and Natural Resources, and the County of Hawaii, to consult with the major landowners in Kona to determine what pressures exist for the urbanization of agricultural lands in Kona.

Your Committees find that a comprehensive review of present zoning and leasing practices and development plans for Kona is necessary to identify practices that may adversely affect the continuation of agriculture by withdrawing land from active farming. The review should also provide the Legislature with recommendations to prevent further deterioration of Kona's agricultural base.

Your Committees have amended this resolution in the title by deleting the word "SOUTH" since a large portion of land suitable for agriculture is in North Kona.

Your Committees have further amended the first be it resolved clause to read as follows:

"BE IT RESOLVED by the House of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1976, that the department of agriculture in cooperation with the department of planning and economic development, the department of land and natural resources and the County of Hawaii conduct a study of leasing and zoning practices affecting tenure on Kona agricultural lands for the purpose of developing alternative recommendations to insure the preservation of agriculture in said district; and"

Your Committees on Agriculture and Water, Land Use, Development, and Hawaiian Homes concur with the intent and purpose of H.R. No. 323 as amended and recommend its adoption in the form attached hereto as H.R. No. 323, H.D. 1.

Signed by all members of the Committees except Representatives Abercrombie and Morioka.

SCRep. 824-76            Agriculture and Water, Land Use, Development, and  
Hawaiian Homes on H.R. No. 183

The purpose of this resolution is to request the City and County of Honolulu Board of Water Supply to reconsider the July 1, 1975 water rate increase to Oahu agricultural producers.

Your Committees find that the July 1, 1975 raise in water rates has increased the cost of production for some Oahu farmers. Your Committees believe that such water rate increases adversely affect the competitiveness of Hawaii's agricultural products in both the local and export markets. Increased production costs result in increased commodity costs. This runs counter to the purpose of promoting the agricultural industry's growth, a stated purpose of both the State and the City and County of Honolulu.

Your Committees also find that there is adequate justification for preferential agricultural water rates, because unlike urban water users, farmers recycle the water they use in the form of produce and also replenish the State's supply of groundwater. Although it may cost the same to develop and transmit water to Oahu farmers and urban dwellers, farmers do not require expensive sewer service to dispose of the water they use.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Homes concur with the intent and purpose of House Resolution No. 183 and recommend its adoption.

Signed by all members of the Committees except Representatives Abercrombie and Morioka.

SCRep. 825-76            Agriculture and Water, Land Use, Development and  
Hawaiian Homes on H.R. No. 184

The purpose of this resolution is to request the Department of Agriculture to study the desirability and efficacy of special agricultural water rates.

Your Committees find high water rates may have a negative impact upon existing or new agricultural enterprises in Hawaii which is contrary to the State's goal of preserving and expanding agriculture throughout the State.

Your Committees have amended this resolution to provide the respective water departments or boards of water supply with a certified copy of this resolution.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Homes concur with the intent and purpose of House Resolution No. 184, as amended herein, and recommend that it be adopted in the form attached hereto as H.R. No. 184, H.D. 1.

Signed by all members of the Committees except Representatives Abercrombie and Morioka.

SCRep. 826-76            Environmental Protection on H.R. No. 360

The purpose of this resolution is to request the University of Hawaii, utilizing the Environmental Center as the coordinating unit, to plan, develop and implement a formal

disciplined curriculum in environmental studies at the University.

Your Committee finds that the University of Hawaii is one of the few state universities that lacks a formal course of study in environmental education. An environmental studies program will provide students with the opportunity to pursue this course of study without having to design their own environmental studies major. It may also serve as an approach for the development of solutions to some of Hawaii's environmental concerns.

Your Committee has amended H.R. No. 360 by correcting grammatical errors in the third paragraph. Your Committee has also deleted all reference to the development, implementation and coordination of an environmental studies program by the Environmental Center. The Center functions as a research unit of the University and is capable only of planning the program. Development and implementation of the program should be conducted by the academic departments involved.

Your Committee on Environmental Protection concurs with the intent and purpose of H.R. No. 360, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 360, H.D. 1.

Signed by all members of the Committee.

SCRep. 827-76 Higher Education on H.R. No. 200

The purpose of this resolution is to request the Board of Regents to establish a policy on the budgetary process of the University which provides for broader participation by interested faculty, students and staff within the University community.

Your Committee held a public hearing, received testimony from the Director of Finance of the University of Hawaii and finds as follows:

While your Committee understands the difficulty inherent in constructing a responsible, responsive budget, your Committee also recognizes and believes in the necessity of broad participation by the University community to ensure a more open and effective educational system.

Your Committee is aware that although the University administration is now taking steps to improve participation by faculty, staff and students in the budget formulation process, the Board of Regents has never clearly defined its policy on such participation.

Your Committee believes that the establishment of a definite policy would ensure that pertinent information and insights by faculty, staff and students are included in the budgetary process.

Your Committee has amended the resolution to require the Board of Regents to submit a report to the Legislature twenty days prior to the convening of the next legislative session on this matter.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 200, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 200, H.D. 1.

Signed by all members of the Committee.

SCRep. 828-76 Education and Higher Education on H.R. No. 116 (Majority)

The purpose of this resolution is to encourage the Department of Education and the Community Colleges to afford students and faculty the opportunity to familiarize themselves with career opportunities and other aspects of the tourist industry. It further requests the Superintendent of Education and the Chancellor of Community Colleges to submit a report of their progress in the area to the Legislature twenty days prior to the convening of the 1977 legislative session.

Hawaii's young people are generally unaware of the economic impact of tourism to this state. This lack of familiarity has led to misconceptions of the industry and a fostering of negative attitudes. The first-hand exposure to the various aspects and opportunities within the industry, as proposed in this resolution, should prove invaluable in familiarizing students with the industry and possibly assisting them in determining

their future careers.

Your Committees on Education and Higher Education concurs with the intent and purpose of H.R. No. 116 and recommends its adoption.

Signed by all members of the Committees.

Representative Abercrombie did not concur.

SCRep. 829-76 Education and Agriculture on H.R. No. 422

The purpose of this resolution is to request the School Lunch Services Branch of the Department of Education to make maximum use of locally produced agricultural commodities in its meal programs. To accomplish this end, this resolution requests that the School Lunch Services Branch establish and maintain ongoing consultation with the Hawaii Farm Bureau Federation. This resolution also requests that the Department of Education submit a report documenting the actions taken in establishing the desired relationship between the School Lunch Services Branch and the Hawaii Farm Bureau Federation.

Your Committees concur that the state school lunch and breakfast programs constitute a growing market for the State's expanding agricultural industry. Estimates for the school lunch program alone indicate that, during the school year 1975-76, 140,000 students, representing 87% of the State's public school students will participate in the program. Of the estimated \$9,000,000 which will be expended for this program, \$4,000,000 is budgeted for fresh milk, with the remaining \$5,000,000 committed for other food items.

The school breakfast program is a new program which has been implemented on a much smaller scale. At present, twenty-three schools participate in the program. However, the program will soon be expanded to other schools in need of a breakfast program.

Your Committees on Education and Agriculture are in accord with the intent and purpose of H.R. No. 422 and recommends its adoption.

Signed by all members of the Committees except Representative Morioka.

SCRep. 830-76 Water, Land Use, Development, and Hawaiian Homes on H.R. No. 407

The purpose of this Resolution is to request the Board of Land and Natural Resources to initiate proceedings for the acquisition of Parcel A in the Salt Lake area for recreational purposes.

Salt Lake is a burgeoning community which lacks park and open space for an area with a potential of 30,000 residents in single family residential and apartment dwellings upon completion of full development.

Your Committee feels there is ample justification of the acquisition of Parcel A, which is presently vacant and is suitable for recreational purposes and for open space, for the satisfaction of a significant part of the unmet recreational needs of the Salt Lake-Aliamanu communities.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 407, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abercrombie, Morioka and Yap.

SCRep. 831-76 Water, Land Use, Development, and Hawaiian Homes on H.C.R. No. 64

The purpose of this Resolution is to request that the department of planning and economic development conduct an inventory which will identify sand, rock and lime deposits in the State other than those located in the shoreline setback area which could be used for cement or concrete.

Your Committee finds that with the prohibition of sand mining operations in the shoreline

setback areas as of July 1, 1975, the resulting lack of sand, coral, rocks and other beach compositions used in concrete and cement will require the construction industry to import mixture materials, and as a result, the overall costs of construction will increase. An identification of sources of materials for use in concrete and cement outside the shoreline setback areas will assist in the maintenance of a healthy construction industry in the state.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 64 and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie and Morioka.

SCRep. 832-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 370

The purpose of this Resolution is to request that the Department of Planning and Economic Development conduct an inventory which will identify sand, rock and lime deposits in the State other than those located in the shoreline setback area which could be used for cement or concrete.

Your Committee finds that with the prohibition of sand mining operations in the shoreline setback areas as of July 1, 1975, the resulting lack of sand, coral, rocks and other beach compositions used in concrete and cement will require the construction industry to import mixture materials, and as a result, the overall costs of construction will increase. An identification of sources of materials for use in concrete and cement outside the shoreline setback areas will assist in the maintenance of a healthy construction industry in the state.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 370 and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie and Morioka.

SCRep. 833-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 332

The purpose of this Resolution is to request the Department of Land and Natural Resources to conduct a joint national and state parks comprehensive historical research study, a joint archeological surface survey, and a biological survey of the Kalawao peninsula and adjacent valleys. This study-survey is to serve as an inventory of this area's value and to evaluate its present conditions and its justification for preservation.

Your Committee finds that while numerous sites on Kalawao peninsula have been noted, the amount of archeological information is insufficient. This makes it difficult to identify and preserve sites of archeological value. Therefore, a comprehensive study of the local history of the settlement and an archeological site survey are essential prerequisites to any meaningful evaluation of the potentials for establishing Kalaupapa as either a national or state park.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 332 and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie and Morioka.

SCRep. 834-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 338

The purpose of this Resolution is to request the Department of Land and Natural Resources to dedicate the 35 acre parcel of land at the corner of Komo Mai Drive and Kaahumanu street for park and recreational purposes.

Your Committee finds that this site, formally intended for use as a high and intermediate school complex, is an ideal site for a community park and recreational facility for residents

in the Waiiau area of Oahu. The department of education returned the 35 acre parcel of land to the Department of Land and Natural Resources because school enrollment in Waiiau has not and conceivably will not increase to projected levels.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 338 and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie and Morioka.

SCRep. 835-76      Water, Land Use, Development, and Hawaiian Homes on  
S.C.R. No. 24

The purpose of this Concurrent Resolution is to state that it is the declared policy of the State Legislature, Senate and House concurring, that the former site of Salt Lake should be reserved as a park for public enjoyment.

That the Salt Lake area is becoming densely populated cannot be denied; some 30,000 people will live there when development has run its course.

That this burgeoning community lacks park and open space also cannot be denied; through mischance and bad policy, the residents of the area have been denied any reasonable expectation of adequate recreational areas in their midst. Present plans call for a private golf course over a substantial portion.

The causes of this state of affairs are various. The concurrent resolution offers remedy. It is a simple one: a guarantee that the area shall be for public, and not private purposes, that the people of the Salt Lake area can expect to have the park and open space and the recreational opportunities their community so badly needs and so unquestionably deserves.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 24, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie, Morioka and Yap.

SCRep. 836-76      Legislative Management

Informing the House that House Resolution Nos. 524 to 538, House Concurrent Resolution Nos. 102 to 106, Standing Committee Report Nos. 837-76 to 841-76, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 837-76      Health on S.C.R. No. 62

The purpose of this concurrent resolution is to recognize and support the efforts of the Mental Health Association of Hawaii by proclaiming the month of April as Mental Health Month in Hawaii.

The Mental Health Association of Hawaii, a private, nonprofit agency, comprised primarily of volunteers, is committed to bringing about improved mental and emotional health in the community through public education programs. Although these programs are conducted throughout the year, a number of activities aimed at disseminating mental health information to the general public, along with a membership drive, will be conducted during the month of April.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 62 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 838-76      Health on H.R. No. 491

The purpose of this resolution is to request the House of Representatives of the

Eighth Legislature of the State of Hawaii, Regular Session of 1976, to proclaim April 1976 as Cancer Control Month in Hawaii.

Your Committee has found that the President of the United States, the United States Congress and the Governor of the State of Hawaii, have proclaimed April as Cancer Control Month. This has been done in recognition of the work being performed by the American Cancer Society and their many dedicated volunteers. The Hawaii Division, American Cancer Society has over 10,000 volunteers devoting much time and energy to bring lifesaving information and hope to the people of Hawaii.

Your Committee is aware and appreciative of the efforts being expended in the battle against cancer. This dreaded disease will strike one out of every four residents of Hawaii. The purpose of Cancer Control Month is to focus greater public attention on cancer as well as the efforts of the Hawaii Division, American Cancer Society.

Your Committee on Health concurs with the intent and purpose of H.R. No. 491 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 839-76          Culture and the Arts on H.C.R. No. 40

The purpose of this resolution is to voice support for a Hawaiian games program and provide for a review of the various departmental program areas pertaining to Hawaiian games.

Hawaiian games should be encouraged as a means of preserving a part of this state's heritage, as well as for their value as athletic endeavors. Canoeing and surfing are very popular currently, and with proper encouragement, other Hawaiian games from the past may likewise flourish. A review of implementation and adaptation possibilities into current athletic programs statewide might be considered appropriate on this, our Bicentennial year.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.C.R. No. 40 and recommends that it be adopted.

Signed by all members of the Committee.

SCRep. 840-76          Culture and the Arts on H.R. No. 267

The purpose of this resolution is to voice support for a Hawaiian games program and provide for a review of the various departmental program areas pertaining to Hawaiian games.

Hawaiian games should be encouraged as a means of preserving a part of this state's heritage, as well as for their value as athletic endeavors. Canoeing and surfing are very popular currently, and with proper encouragement, other Hawaiian games from the past may likewise flourish. A review of implementation and adaptation possibilities into current athletic programs statewide might be considered appropriate on this, our Bicentennial year.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 267 and recommends that it be adopted.

Signed by all members of the Committee.

SCRep. 841-76          Public Assistance and Human Services and Labor and Public  
Employment on H.R. No. 281

The purpose of this resolution is to request the Legislative Reference Bureau to study and evaluate the social and economic effects of overseas immigration on services offered by state and county agencies and to submit a report 20 days prior to the convening of the 1977 legislative session.

Your Committees find that there are many state and county agencies providing services to immigrants intended to ease the trauma of transition from one society to another. Governmental assistance in language skills, communication and employment training

are necessary investments to prevent social alienation, non-productiveness and disorientation.

Yet, your Committees believe that such a commitment is not without impact on available state and county resources. Therefore, your Committees believe that a study by the Legislative Reference Bureau is timely and will provide the kind of information that is vitally necessary to the development of any future state immigration policy.

Your Committees received testimony from the Department of Social Services and Housing, the Department of Health and the State Commission on Manpower and Full Employment which indicated their willingness to assist the Legislature Reference Bureau in any way possible in order to assess the impact of immigration services on state resources and expenditures.

Your Committees were informed that the Department of Budget and Finance and the State Commission on Manpower and Full Employment have each conducted a study on the subject of immigrant impact of state services and that the Department of Budget and Finance is presently engaged in preparing a second part of its report, An Analysis of Impact on Immigration on State Services.

Because of the concern of various agencies directly involved in immigrant services as well as the above cited reports, your Committees recommend that the Legislative Reference Bureau coordinate its data collection and analysis with these agencies so as to avoid any unnecessary duplication of information and analysis already presented and available in previous reports.

Your Committee on Public Assistance and Human Services and Your Committee on Labor and Public Employment concur with the intent and purpose of H.R. No. 281 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committees.

SCRep. 842-76      Legislative Management

Informing the House that House Resolution Nos. 539 to 548, and House Concurrent Resolution No. 107, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 843-76      Housing on H.R. No. 473

The purpose of this resolution is to urge the United States Congress to amend the appropriate Internal Revenue Code to enable voluntary and/or involuntary real property sales transactions under Act 307, Hawaii Revised Statutes, without the prodigious tax impact that would now be imposed on landowners.

One reason that the large estates are reluctant to sell land to homeowners in this State is that the sale of these lands would result in a tremendous tax impact. If more than a small number of lots are sold during one tax year, the income therefrom would be taxed as ordinary income at a rate of 48 per cent. An amendment to the Internal Revenue Code to alleviate this tax burden would encourage the sale of residential lands now leased, would ameliorate the problems caused by substantial lease rent increases upon renegotiation and would enhance the opportunity of the citizens of Hawaii to own the lands upon which their homes are located.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 473 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 844-76      Judiciary on H.R. No. 459 (Majority)

The purpose of this resolution is to have the Office of the Legislative Reference Bureau study the advantages and disadvantages of the formation of a separate municipality or regional governmental form, either within or without the present City and County structure, for the area comprising all or part of the windward side of Oahu and report its findings to the Legislature on or before December 1, 1977.

Your Committee finds that one of the highly developed and fast growing areas outside of the central city of Honolulu is the windward side of Oahu and that governmental services dispensed to that area could possibly be made more efficient by the formation of a separate municipality or regional governmental form for that area.

Your Committee has amended this resolution to delete all references to and comparisons with the County of Hawaii.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 459, as amended herein, and recommends its referral to the Committee on Legislative Management in the form attached hereto as H.R. No. 459, H.D. 1.

Signed by all members of the Committee.

Representative Carroll did not concur.

SCRep. 845-76      Agriculture on H.R. No. 538

The purpose of this Resolution is to support and firmly endorse the establishment of a mass rearing laboratory for fruit fly control and eradication.

Your Committee finds that the presence of the Mediterranean Fruit Fly, the Oriental Fruit Fly and the Melon Fly constitutes a serious impediment to the orderly development and growth of agriculture in Hawaii. Hawaii is the only known area with simultaneous infestations of these three destructive fruit fly species. The annual cost and loss to the State as a result of these infestations has been estimated at \$50 million. The State's biocontrol efforts have reduced the population of these three species but has not eliminated the need to treat all suspect fruits and vegetables for export to meet overseas quarantine requirements.

In contrast to the Continental United States where the three fruit flies are not established, the control of fruit flies by Hawaiian farmers is an additional production cost.

In addition, the eradication of the fruit flies in Hawaii will accelerate and greatly expand the production and marketing of fruit fly susceptible commodities.

It is the Committee's understanding that the proposed mass rearing facility will be constructed and operated primarily with federal funds. Since Hawaii will benefit from this federal program, the State is expected to assist the United States Department of Agriculture in site selection and acquisition for the facility and provide cooperative effort in field and laboratory research activities.

It is also the Committee's understanding that the mass rearing facility will be the primary facility for research and mass rearing of the Mediterranean Fruit Fly, the Oriental Fruit Fly, and the Melon Fly for the eradication of these pests in any part of the world as determined and designated by the United States Department of Agriculture.

Your Committee finds that the potential loss to the Mainland United States as a result of damage by these fruit flies is estimated at several billion dollars annually. The immediate thrust of the proposed mass rearing facility in Hawaii will be geared towards eradicating incipient fruit fly infestations in and near the borders of the Continental United States.

The eradication program for Hawaii may commence later, after the necessary research and pilot studies have been completed and funding for this purpose has been approved.

Your Committee has made the following amendments:

a. In paragraph 3, page 1 insert the words, "if they become established" after "several billions of dollars".

b. Paragraph 3, page 2, has been amended to read as follows:

"WHEREAS, the United States Department of Agriculture has indicated a strong interest in establishing such a facility in Hawaii with substantial federal financial support for the endeavor; now, therefore,"

c. Another BE IT FURTHER RESOLVED clause has been inserted immediately preceding the last paragraph on page 2 to read as follows:

"BE IT FURTHER RESOLVED that each member of Hawaii's delegation to the Congress of the United States be respectfully requested to support efforts to establish and operate the proposed facility; and"

In addition, your Committee has amended the last paragraph to read as follows:

"BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Deputy Administrator, Agricultural Research Service Western Region; United States Department of Agriculture; Western Regional Director, Plant Protection and Quarantine Programs, Animal and Plant Health Inspection Service, United States Department of Agriculture; Acting Dean, College of Tropical Agriculture, University of Hawaii; Chairperson, Hawaii State Board of Agriculture; the Governor of Hawaii; and to each member of Hawaii's delegation to the Congress of the United States."

Your Committee on Agriculture is in accord with the intent and purpose of H.R. No. 538, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 538, H.D. 1.

Signed by all members of the Committee.

SCRep. 846-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 416

The purpose of this Resolution is to request the Governor to disestablish the Hawaii Bicentennial International Marine Exposition Commission.

From the moment the Hawaii Bicentennial International Marine Exposition Commission convened, it was faced with what proved to be a virtually unsolvable problem. That problem was to work with a concept created in the late 1960's and to mold and shape that concept created in the economic and social conditions of the late 1970's, while faced with the necessity of making the final product one that would be of significant benefit to Hawaii's economy and society, yet bearing a price tag that would not make undue demands on limited financial resources. These were conflicting demands that simply could not be brought into balance.

Your Committee is appreciative of the studies which the Commission has conducted because of their value as planning documents for current and future projects, and hopes that conditions will once again change enough so that a marine exposition in Hawaii is warranted.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 416 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 847-76      Water, Land Use, Development, and Hawaiian Homes on  
S.C.R. No. 37

The purpose of this Concurrent Resolution is to support the efforts of the Kaneohe Outdoor Circle in sponsoring the implementation of the Kaneohe Bay Park concept as a part of the 1976 American Revolution Bicentennial observance in the State of Hawaii.

Your Committee finds that Windward Oahu plays an important social and economic role in the life of the Islands, and this area represents valuable cultural, educational and aesthetic areas. The Ahupua'a of Heeia serves as an important link to the Hawaiian past and is deserving of special attention from the Legislature.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 37, S.D. 1, and recommends that it be referred to the Committee on Culture and Arts.

Signed by all members of the Committee.

SCRep. 848-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 108

The purpose of this Resolution is to review the Waimanalo vendor problem.

A colorful and friendly feature of Oahu's Waimanalo area is the pine shaded roadside area bordering Bellows Field which is occupied by a group of gracious and skilled artisans commonly referred to as the "Waimanalo Vendors", and which is spearheaded by the Hui Mea Hana O Hawaii.

The vendors have no shelter, no protection from wind and rain, do no advertising, and each product which is offered is their own creation, reflecting parts of their personalities. The vendors add color to the area by talking to the tourists for help and directions and giving them a chance to talk first hand with the residents and natives of the island. They either explain how the products are made or demonstrate techniques in the making of the products. The vendors can be viewed as good will ambassadors for the state.

However, residents in Waimanalo are worried or annoyed about the present highway situation. People want the vendors off the highway as soon as possible, but people also like the idea of a "farmer's market" for selling agricultural products and hand-crafted items which reflect Hawaiiiana. Your Committee feels that the best all around solution is relocating the vendors to land leased by the State to Hui Mea Hana O Hawaii.

The Resolution has been amended to include the issuance of a report by the Department of Land and Natural Resources on July 1, 1976. This amendment will provide the Hui with guaranteed help in finding other locations if the Board of Land and Natural Resources sees fit to again deny their request for the land mauka of the Pine Tree Grove.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 108, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 108, H.D. 1.

Signed by all members of the Committee.

SCRep. 849-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 456

The purpose of this Resolution is threefold: 1) to request the Department of Land and Natural Resources to establish the Hulopoe-Manele Marine Life Conservation District on the island of Lanai; 2) to request the department of transportation to adopt rules and regulations prohibiting the anchoring, operation and mooring of vessels within Hulopoe Bay of the marine life conservation district; and 3) to request the department of health to monitor the water quality and establish baseline water quality measurements of Hulopoe Bay and to ensure that pollution levels do not exceed the standards as set by the department.

Local residents, as well as boaters, have been attracted to the serene beauty of Hulopoe Bay for many years because of its white sand, crystalline water and picnic facilities. However, the accumulation of litter and effluence left by transient boaters has polluted the shoreline and surrounding waters to the extent that residents are not only wary of swimming in polluted water, but of the sharks that have been attracted by the garbage.

This condition is especially noticeable after "long" week-ends when numerous vessels utilize Hulopoe Bay. Residents of Lanai have objected strenuously to the presence of visiting boats mooring in the bay, to the extent of "physical exercise" against the known boaters who pollute.

Community support of the establishment of a marine life conservation district at Hulopoe Bay is widespread. The Lanai Advisory Committee to the Maui County Planning Commission has gone on record that this conservation district is needed, and needed now. Your Committee feels that the protection and preservation of the live coral, as well as other benthic biota within the area, the water and its surrounding environment should be protected from further abuse.

Your Committee has amended the Resolution upon the suggestion of the department of land and natural resources. Certain clauses have been amended to be more precise in describing the requests of the resolution.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of , as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 456.

Signed by all members of the Committee.

SCRep. 850-76      Water, Land Use, Development, and Hawaiian Homes on  
H.C.R. No. 97

The purpose of this Concurrent Resolution is threefold: 1) to request the Department of Land and Natural Resources to establish the Hulopoe-Manele Marine Life Conservation District on the island of Lanai; 2) to request the department of transportation to adopt rules and regulations prohibiting the anchoring, operation and mooring of vessels within Hulopoe Bay of the marine life conservation district; and 3) to request the department of health to monitor the water quality and establish baseline water quality measurements of Hulopoe Bay and to ensure that pollution levels do not exceed the standards as set by the department.

Local residents, as well as boaters, have been attracted to the serene beauty of Hulopoe Bay for many years because of its white sand, crystalline water and picnic facilities. However, the accumulation of litter and effluence left by transient boaters has polluted the shoreline and surrounding waters to the extent that residents are not only wary of swimming in polluted water, but of the sharks that have been attracted by the garbage.

This condition is especially noticeable after "long" week-ends when numerous vessels utilize Hulopoe Bay. Residents of Lanai have objected strenuously to the presence of visiting boats mooring in the bay, to the extent of "physical exercise" against the known boaters who pollute.

Community support of the establishment of a marine life conservation district at Hulopoe Bay is widespread. The Lanai Advisory Committee to the Maui County Planning Commission has gone on record that this conservation district is needed, and needed now. Your Committee feels that the protection and preservation of the live coral, as well as other benthic biota within the area, the water and its surrounding environment should be protected from further abuse.

Your Committee has amended the Concurrent Resolution upon the suggestion of the Department of Land and Natural Resources. Certain clauses have been amended to be more precise in describing the requests of the resolution.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 97, H.D. 1.

Signed by all members of the Committee.

SCRep. 851-76      Water, Land Use, Development, and Hawaiian Homes on  
H.C.R. No. 72

The purpose of this Concurrent Resolution is to request the Governor to disestablish the Hawaii Bicentennial International Marine Exposition Commission.

From the moment the Hawaii Bicentennial International Marine Exposition Commission convened, it was faced with what proved to be a virtually unsolvable problem. That problem was to work with a concept created in the late 1960's and to mold and shape that concept created in the economic and social conditions of the late 1970's, while faced with the necessity of making the final product one that would be of significant benefit to Hawaii's economy and society, yet bearing a price tag that would not make undue demands on limited financial resources. These were conflicting demands that simply could not be brought into balance.

Your Committee is appreciative of the studies which the Commission has conducted because of their value as planning documents for current and future projects, and hopes that conditions will once again change enough so that a marine exposition in Hawaii is warranted.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 72 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 852-76      Higher Education on H.R. No. 509

The purpose of this Resolution is to express support for National College "Pitch In"



SCRep. 854-76      Public Assistance and Human Services and Labor and Public  
Employment on H.R. No. 353

The purpose of this resolution is: (1) to request the Congress of the United States to amend the Immigration Act by basing immigration quotas on current employment conditions and by restricting categories of eligibility except for those that pertain to immediate relatives; and (2) to ask the Congress to appropriate special funds for social, health and economic services for immigrants to states and localities having more immigrants than the national average.

Currently, federal immigration laws and policies determine the number and the eligibility of immigrants who enter the United States. Under the preference system established by the Immigration and Nationality Act, skilled and unskilled workers in occupations for which labor is in short supply are given sixth preference consideration.

It is your Committees' understanding that the U.S. Department of Labor annually certifies the listing of occupations that are in national demand. However, your Committees learned that the current labor certification system has not been effectively limiting the number of immigrant workers entering state or city where unemployment is particularly high. Thus, your Committees believe that more diligent efforts should be made to control the impact immigrants have upon local employment markets.

Your Committees further believe that immigration provisions which allow immediate relatives to join their families in the United States should continue to be given priority consideration and be excluded from ceiling limitations.

Your Committees believe that it is incumbent upon the Congress to consider appropriating additional funds to relieve the strain of meeting immigrant needs in areas where immigrant/population ratio is greater than the national average. This would alleviate the social and fiscal impact of federal immigration policies in Hawaii and will strengthen our commitment to provide assistance in the adjustment and transition for immigrants.

The Department of Social Services and Housing, the State Commission on Manpower and Full Employment and the International Longshore Workers Union have presented testimony in support of this resolution.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purpose of H.R. No. 353 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 855-76      Public Assistance and Human Services and Labor and Public  
Employment on H.C.R. No. 59

The purpose of this resolution is: (1) to request the Congress of the United States to amend the Immigration Act by basing immigration quotas on current employment conditions and by restricting categories of eligibility except for those that pertain to immediate relatives; and (2) to ask the Congress to appropriate special funds for social, health and economic services for immigrants to states and localities having more immigrants than the national average.

Currently, federal immigration laws and policies determine the number and the eligibility of immigrants who enter the United States. Under the preference system established by the Immigration and Nationality Act, skilled and unskilled workers in occupations for which labor is in short supply are given sixth preference consideration.

It is your Committees' understanding that the U.S. Department of Labor annually certifies the listing of occupations that are in national demand. However, your Committees learned that the current labor certification system has not been effectively limiting the number of immigrant workers entering state or city where unemployment is particularly high. Thus, your Committees believe that more diligent efforts should be made to control the impact immigrants have upon local employment markets.

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additional funds to relieve the strain of meeting immigrant needs in areas where immigrant/population ratio is greater than the national average. This would alleviate the social and fiscal impact of federal immigration policies in Hawaii and will strengthen our commitment to provide assistance in the adjustment and transition for immigrants.

The Department of Social Services and Housing, the State Commission on Manpower and Full Employment and the International Longshore Workers Union have presented testimony in support of this resolution.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purpose of H.C.R. No. 59 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 856-76      Public Assistance and Human Services on H.R. No. 138

The purpose of this resolution is to urge favorable action by the U.S. Congress on U.S. House Bill 2522 which provides grants to "gateway" states and municipalities with disproportionately large numbers of foreignborn persons.

Your Committee finds that, while the federal government sets immigration laws and policies, it has yet to acknowledge the markedly uneven patterns of immigration settlement or the resulting strain experienced by those jurisdictions having proportionately large numbers of immigrants in meeting the various needs of this population.

Information provided to your Committee by Mr. Elmer Husler of the U.S. Immigration and Naturalization Service describes the State of Hawaii as receiving approximately 7,000 foreignborn persons annually since 1971 and that this trend will gradually increase in the near future.

Three state agencies, the Department of Social Services and Housing, the Department of Health, and the State Commission on Manpower and Full Employment have testified in support of the resolution, and stated that the cost of providing services to immigrants is borne disproportionately by the State. The Department of Health revealed that state expenditures for immigrant health services for 1975 were estimated at \$1.2 million.

Your Committee believes that passage of U.S. House Bill No. 2522 could provide funds which will alleviate the social and fiscal impact of federal immigration policies on Hawaii and will strengthen our commitment to provide assistance in the adjustment and transition period for immigrants.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 138 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 857-76      Public Assistance and Human Services on H.C.R. No. 22

The purpose of this resolution is to urge favorable action by the U.S. Congress on U.S. House Bill 2522 which provides grants to "gateway" states and municipalities with disproportionately large numbers of foreignborn persons.

Your Committee finds that, while the federal government sets immigration laws and policies, it has yet to acknowledge the markedly uneven patterns of immigration settlement or the resulting strain experienced by those jurisdictions having proportionately large numbers of immigrants in meeting the various needs of this population.

Information provided to your Committee by Mr. Elmer Husler of the U.S. Immigration and Naturalization Service describes the State of Hawaii as receiving approximately 7,000 foreignborn persons annually since 1971 and that this trend will gradually increase in the near future.

Three state agencies, the Department of Social Services and Housing, the Department of Health, and the State Commission on Manpower and Full Employment have testified in support of the resolution, and stated that the cost of providing services to immigrants is borne disproportionately by the State. The Department of Health revealed that state expenditures for immigrant health services for 1975 were estimated at \$1.2 million.

Your Committee believes that passage of U.S. House Bill No. 2522 could provide funds which will alleviate the social and fiscal impact of federal immigration policies on Hawaii and will strengthen our commitment to provide assistance in the adjustment and transition period for immigrants.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.C.R. No. 22 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 858-76          Judiciary on H.R. No. 30

The purpose of this resolution is to request the State Supreme Court to consider adopting the Uniform Rules of Evidence promulgated by the National Conference of Commissioners on Uniform State Laws for use in state courts and to report its decision to the House of Representatives before the convening of the Regular Session of 1977.

Your Committee finds that the Uniform Rules of Evidence has just been passed by the House of Delegates of the American Bar Association and that the state judicial system is intertwined with effective rules of evidence.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 30 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 859-76          Judiciary on H.R. No. 339

The purpose of this resolution is to request the Supreme Court of the State and the Hawaii State Bar Association to consider the certification of specialization for attorneys.

Your Committee finds that the American Bar Association and other state bar associations have been examining the feasibility of certifying attorneys in their chosen areas of expertise. Because many attorneys tend to specialize in one or two areas of the law following their law school education and initial work experience, your Committee feels that such attorneys and consumers of legal services may benefit from certification of specialization.

In the performance of their study, it is recommended by your Committee that the Supreme Court of the State and the Hawaii State Bar Association consider a range of problems relating to the mechanism for certification, including among others, the areas of specialization to be identified, the ethical questions relating to advertising of a specialty, and the delivery of specialized legal services.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 339 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 860-76          Judiciary on H.R. No. 340 (Majority)

The purpose of this resolution is to request the Hawaii Supreme Court and the Hawaii State Bar Association to require mandatory courses for attorneys in this State on the Code of Professional Responsibility.

Your Committee finds that although all members of the bar are subject to the Code of Professional Responsibility, the Code itself is not studied in all law schools. It is noted, however, that the Code is studied at the University of Hawaii School of Law. Your Committee agrees that mandatory classes in this area will formally educate practitioners who have been admitted to the bar prior to 1970 who were not required to study the Code.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 340 and recommends its adoption.

Signed by all members of the Committee.

Representatives Carroll and Sutton did not concur.

SCRep. 861-76      Judiciary on H.R. No. 341

The purpose of this resolution is to request the Supreme Court of the State of Hawaii to encourage all practicing attorneys to devote a certain percentage of their working hours to pro bono work in one of the following areas: poverty law, civil rights law, public rights law, charitable organization representation or administration of justice.

There is an underlying professional responsibility of each attorney to provide legal services which would reach a broad segment of the population. Your Committee urges that each attorney participate in the rendering of public interest legal services in order that the State may increase the availability of such services to its population. It is noted that under Article V, Section 6, of the Constitution of the State of Hawaii, the Supreme Court of the State has been given the power relating to the admission and practice of attorneys.

Your Committee has amended this resolution to correct typographical errors.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 341, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 341, H.D. 1.

Signed by all members of the Committee.

SCRep. 862-76      Judiciary on H.R. No. 342

The purpose of this resolution is to request the Hawaii Supreme Court and the Hawaii Bar Association to consider establishing mandatory continuing education courses for attorneys.

Your Committee finds that it is essential for practicing attorneys of the State to maintain knowledge and competence in the developments of their profession. Accordingly, your Committee finds that the bar of Hawaii should presently implement a plan of mandatory education while the attorney population is of a manageable size and youth. It is noted that the Hawaii Bar Association has already implemented an expanding, continuing professional education program which has been marked by increased attendance over the years, thus pointing up the acceptance of the legal community of further education.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 342 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 863-76      Judiciary on H.R. No. 29 (Majority)

The purpose of this resolution is to request the Supreme Court of the State and the Hawaii State Bar Association to consider fully and report their findings regarding the admission of electronic reporting into the court rooms of the State of Hawaii.

Your Committee finds that the American Bar Association task force on the courts and the public has studied the revision of canon 3A(7) of the Code of Judicial Conduct which pertains to electronic reporting with court rooms. This task force has determined that the closing of American court rooms to the media has denied the public the right to information of court room proceedings. In addition, several recent bar-related publications have advocated the examination of allowing electronic forms of media to be present during judicial proceedings. Accordingly, your Committee recommends that in order to allow greater public access to proceedings and decisions rendered in the State court rooms, that the matter be thoroughly considered by the Supreme Court and the Hawaii State Bar Association.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 29 and recommends its adoption.

Signed by all members of the Committee.

Representatives Carroll and Sutton did not concur.

## SCRep. 864-76 Consumer Protection and Commerce on S.B. No. 2224-76

The purpose of this bill is to allow insurance advisory organizations to provide services to insurers in the State of Hawaii in areas other than rate-making.

Insurance advisory organizations publish technical information such as automobile insurance manuals, rules, policy forms, and endorsements. They also act as depositories for statistical data from which they produce and distribute loss cost information. While the information distributed by advisory organizations are valuable to insurers in determining rates, the organizations do not recommend rates.

Section 294-13(k), Hawaii Revised Statutes, prohibits insurers from conspiring or acting in concert to fix or control, directly or indirectly, motor vehicle insurance rates. The present status of insurance advisory organizations is cloudy because the section may be interpreted as preventing insurers from utilizing the services provided by such organizations.

Your Committee believes that insurers should be allowed to use the services of advisory organizations as the cost for insurers to individually compile the information provided by such organizations would be substantially higher for each insurer and these costs would be reflected in higher insurance costs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2224-76 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 865-76 Housing on S.B. No. 1758-76

The purpose of this bill is to make improvements in numerous aspects of the housing development program conducted by the Hawaii Housing Authority pursuant to chapters 356, 359, and 359G, Hawaii Revised Statutes. In addition to substantive changes, the bill contains many style changes for purpose of clarity.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1758-76, S.D. 2, H.D. 2 and recommends that it pass Third Reading.

Signed by all members of the Committee.

## SCRep. 866-76 Legislative Management

Informing the House that House Resolution Nos. 549 to 576, House Concurrent Resolution Nos. 108 to 113, Standing Committee Report Nos. 843-76 to 865-76, and Standing Committee Report Nos. 867-76 to 872-76, have been printed and distributed.

Signed by all members of the Committee.

## SCRep. 867-76 Youth and Elderly Affairs on H.R. No. 428

The purpose of this resolution is to require the Department of Taxation, in consultation with the Commission on Aging, to conduct a feasibility study of various forms of relief for the elderly from the excise tax on food.

Your Committee seeks a thorough study and comparative evaluation of all possible schemes of providing such tax relief.

Your Committee has amended this resolution by expanding the scope of the study, which was originally limited to a consideration of the feasibility of establishing an exemption, to include evaluation of a tax credit plan as well.

In recognition of the fact that the information requested in this resolution is primarily within the scope of the Department of Taxation's expertise, this resolution has been amended to request the Department to assume the responsibility of conducting the study, using the Commission on Aging only as a consultant on matters in which the Commission has particular knowledge or authority.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 428, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 428, H.D. 1.

Signed by all members of the Committee.

SCRep. 868-76 Youth and Elderly Affairs on H.R. No. 429

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study to determine the desirability and feasibility of instituting legislation for licensing and regulation of retirement homes.

Senior citizens wishing to reside in such homes pay a substantial initial fee--often their entire savings--plus a fixed monthly payment to remain constant throughout their residence. In exchange for this they are to receive a life-time lease and are to be provided with a range of services which includes the furnishing of prepared meals and some level of health care.

Testimony presented at a hearing on this measure indicates that in states such as California and Florida in which a number of such homes have been established by private corporations, there have been recurring instances of such companies renegeing on their contracts due to inadequate funds, leaving the senior citizens to assume the multi-million dollar mortgages taken by the companies to build the facilities and fend for themselves regarding services.

The severity of this problem has compelled the above-mentioned states to enact legislation requiring a certain level of capitalization to be provided by the developer of a retirement home before he is allowed to build.

Hawaii has been fortunate in that although its existing retirement homes have experienced financial difficulties similar to those of mainland facilities, these homes have been established by state branches of nationwide churches which have come to their assistance, thereby allowing them to continue to function as agreed. Your Committee finds, however, that there is reason to believe that a number of private firms will, in the near future, decide to establish retirement homes both on Oahu and on the neighbor islands. For this reason it is necessary to begin to investigate this area as requested by this resolution.

Your Committee has amended the last "whereas" clause and the first "be it resolved" clause to stress that the primary concern is the financial stability of retirement homes rather than their health and safety conditions, since it has not been brought to your Committee's attention that there is a problem in regard to these conditions.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.R. No. 429 as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 429, H.D. 1.

Signed by all members of the Committee.

SCRep. 869-76 Agriculture and Tourism on H.R. No. 522

The purpose of this resolution is to congratulate the Hawaii Farm Bureau Federation on its selection as the Convention host and to endorse the choice of the Farmer to Farmer Tours as the designee to handle travel arrangements for the 1977 American Farm Bureau Federation Convention.

The Hawaii Farm Bureau Federation has been in existence for 27 years and an affiliate of the American Farm Bureau Federation for the past 20 years. Since this is the first time that Hawaii will be the Convention host, the Hawaii Farm Bureau Federation wishes to make certain that the "Aloha Spirit" and warm hospitality for which the people of this State are so well known will be extended to the conventioners visiting the State in January, 1977.

Your Committees find that the American Farm Bureau Federation has chosen the Farmer to Farmer Tours to be the official travel agency to handle travel arrangements for the Convention. The Hawaii Farm Bureau Federation has enjoyed an excellent relationship with the Farmer to Farmer Tours for a number of years, not the least of the reasons for this cordial relationship being the top notch services received each time the Federation's members needed travel services outside of the State. The selection of the Farmer to

Farmer Tours appears to be a wise and judicious choice. It might be noted also that the Hawaii Visitors Bureau and the Hawaii Hotel Association are already on record in support of conventions working with one designated agent.

The endorsement of the Hawaii State Legislature on the selection of the Farmer to Farmer Tours should serve as a significant incentive for the firm to step up its promotional activity to encourage as many of the American Farm Bureau Federation's members as possible to attend the Convention in Honolulu. It is anticipated that about 20,000 from the mainland, Alaska, and Puerto Rico will be arriving for the Convention.

Testimony presented before your Committees at a public hearing on April 5, 1976 was unanimously in support of the resolution.

Your Committees on Agriculture and Tourism are in accord with the intent and purpose of H.R. No. 522 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 870-76      Agriculture on H.R. No. 487

The purpose of this resolution is to recognize and commend the joint efforts of the State of Hawaii, the Superior Tea and Coffee Company and the Kona Coffee farmers in revitalizing the Kona coffee industry, and to encourage continued cooperation in the future.

In the late 1960's, the Kona coffee industry declined and its future as a basic cash crop was uncertain. In the early 1970's, the Superior Tea and Coffee Company signed an agreement to purchase the entire annual Kona coffee crop, thus assuring growers a firm market. At the same time, the Department of Planning and Economic Development entered into a joint agreement with Superior to promote Kona coffee in an effort to increase the market for the product. Recently, under the auspices of the Department of Agriculture, the two major Kona coffee cooperatives have agreed to merge in a move to strengthen the Kona coffee industry.

In response to the coffee industry's problems, the Legislature approved several special appropriations to strengthen the coffee industry. Further support is being provided by the University of Hawaii, which since the late 1960's has been experimenting with methods of causing all coffee berries to ripen simultaneously. If such a technique could be developed, it would decrease harvesting time and the amount of labor needed to harvest.

Your Committee on Agriculture concurs with the intent and purpose of H.R. 487 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 871-76      Higher Education on H.R. No. 501

The purpose of this resolution is to request the Board of Regents and the University of Hawaii Professional Assembly to develop an equitable fee schedule for lecturers employed throughout the University of Hawaii system.

Your Committee held a public hearing; received testimony from the Director of Administration of the University of Hawaii, the President of the University of Hawaii Professional Assembly and from a concerned citizen; and finds as follows:

Your Committee is aware that at present, lecturers employed by the community colleges receive a fixed, uniform rate of compensation. Lecturers at the University of Hawaii at Manoa, on the other hand, are paid according to their academic qualifications and teaching experience and are thus afforded the opportunity to earn higher salaries than lecturers with similar qualifications teaching similar courses at the community colleges.

Your Committee believes this practice constitutes a serious inequity and violates the principle of equal pay for equal work.

Furthermore, your Committee is concerned over the fact that the opportunity for higher compensation at the University of Hawaii at Manoa handicaps the community colleges in its ability to attract and employ the best qualified and most experienced

lecturers. As a result, students at the community colleges also suffer from the University's inequitable compensation policy.

Your Committee recognizes that the fee schedule for lecturers is a mandatory subject of negotiations between the State and the exclusive representative of the faculty. Therefore, your Committee directs its concern to the Board of Regents and the University of Hawaii Professional Assembly and requests that an equitable fee schedule for lecturers employed throughout the University system be negotiated.

Your Committee has amended the resolution to reflect more accurately its intent.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 501, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 501, H.D. 1.

Signed by all members of the Committee.

SCRep. 872-76 Higher Education on H.C.R. No. 91

The purpose of this concurrent resolution is to request the Board of Regents and the University of Hawaii Professional Assembly to develop an equitable fee schedule for lecturers employed throughout the University of Hawaii system.

Your Committee held a public hearing; received testimony from the Director of Administration of the University of Hawaii, the President of the University of Hawaii Professional Assembly and from a concerned citizen; and finds as follows:

Your Committee is aware that at present, lecturers employed by the community colleges receive a fixed, uniform rate of compensation. Lecturers at the University of Hawaii at Manoa, on the other hand, are paid according to their academic qualifications and teaching experience and are thus afforded the opportunity to earn higher salaries than lecturers with similar qualifications teaching similar courses at the community colleges.

Your Committee believes this practice constitutes a serious inequity and violates the principle of equal pay for equal work.

Furthermore, your Committee is concerned over the fact that the opportunity for higher compensation at the University of Hawaii at Manoa handicaps the community colleges in its ability to attract and employ the best qualified and most experienced lecturers. As a result, students at the community colleges also suffer from the University's inequitable compensation policy.

Your Committee recognizes that the fee schedule for lecturers is a mandatory subject of negotiations between the State and the exclusive representative of the faculty. Therefore, your Committee directs its concern to the Board of Regents and the University of Hawaii Professional Assembly and requests that an equitable fee schedule for lecturers employed throughout the University system be negotiated.

Your Committee has amended the concurrent resolution to reflect more accurately its intent.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 91, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 91, H.D. 1.

Signed by all members of the Committee.

SCRep. 873-76 Legislative Management

Informing the House that Standing Committee Report Nos. 875-76 to 894-76, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 874-76 Legislative Management

Informing the House that House Resolution Nos. 577 to 595 have been printed and

distributed.

Signed by all members of the Committee.

SCRep. 875-76      Education on H.R. No. 524

The purpose of this resolution is to challenge the Board of Education and the Department of Education to fulfill the expectations of the people and the Legislature in terms of education, to revitalize the educational system, and to provide tangible evidence of progress and improvement in a variety of areas by January 1977. Furthermore, it is the purpose of this resolution to provide a comprehensive grasp of issues facing education in Hawaii today, contributing background factors and legislative action in the area; and in this way, to build a bridge for the next legislative committee to view the area of education.

The resolution explains what has happened in the past, giving basic background information on how things developed over the last decade, including organization and structure of the Department of Education and a historical perspective as to how education was viewed in the past.

The resolution also describes the state of education today, explaining how the Committee organized to discuss the needs and desires of the public in terms of education, to provide various groups with input, and to examine the best means for delivering educational services to the people. It traces the concerns of students, teachers, administrators, and parents and the legislative responses that were given, including the status of various bills and resolutions relevant to each topic.

Educational issues, ranging from alternative programs and evaluation to teachers and curriculum are reviewed in a comprehensive manner, showing issue concerns, legislative action, and legislative intent. Finally, seventy challenges are made to the Board of Education and the Department of Education, seeking tangible evidence of progress by January 1977.

Your Committee finds that the wording of several sections, particularly in the section issuing the challenges, is unclear and sometimes ambiguous. Therefore, language changes have been made to better explain the intent of the Legislature. Other changes were made to clarify the legislative intent that the resolution is directed at the Board of Education and the staff of the Department. Your Committee has made such further technical and style changes as was necessary.

Your Committee on Education concurs with the intent and purpose of H.R. No. 524, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 524, H.D. 1.

Signed by all members of the Committee.

SCRep. 876-76      Agriculture and Water, Land Use, Development, and Hawaiian Homes on H.C.R. No. 76

The purpose of this resolution is to request the appropriate state agencies to develop a 100-acre agricultural park at Ke-Ahole, Kona, Hawaii for the purpose of primarily growing dendrobiums and other orchids and indoor foliage crops.

Your committees find considerable interest in establishing an agricultural park on the a'ala lava lands, Tax Map Key 7-3-10: 33. The land is owned by the State of Hawaii and is now being used for grazing under a revocable permit. The major development cost, according to the Department of Agriculture, would be extending water lines to the site.

According to the University of Hawaii, climatic conditions in the Ke-Ahole district are ideal for orchid and foliage crops, and the agriculture department reported five-acre parcels could be farmed profitably. Many of the plants raised at the site would be exported for sale. The site of the park is adjacent to the Ke-Ahole Airport and less than a one hour drive from Kawaihae Harbor.

Your committees on Agriculture and Water, Land Use Development and Hawaiian Homes concur with the intent and purpose of H.C.R. 76 and recommend its adoption.

Signed by all members of the Committee.

SCRep. 877-76           Agriculture and Water, Land Use, Development, and Hawaiian  
Homes on H.R. No. 437

The purpose of this resolution is to request the appropriate state agencies to develop a 100-acre agricultural park at Ke-Ahole, Kona, Hawaii for the purpose of primarily growing dendrobiums and other orchids and indoor foliage crops.

Your committees find considerable interest in establishing an agricultural park on the a'a lava lands, Tax Map Key 7-3-10:33. The land is owned by the State of Hawaii and is now being used for grazing under a revocable permit. The major development cost, according to the Department of Agriculture, would be extending water lines to the site.

According to the University of Hawaii, climatic conditions in the Ke-Ahole district are ideal for orchid and foliage crops, and the agriculture department reported five-acre parcels could be farmed profitably. Many of the plants raised at the site would be exported for sale. The site of the park is adjacent to the Ke-Ahole Airport and less than a one hour drive from Kawaihae Harbor.

Your committees on Agriculture and Water, Land Use, Development, and Hawaiian Homes concur with the intent and purpose of H.R. 437 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 878-76           Agriculture and Water, Land Use, Development and Hawaiian  
Homes on H.C.R. No. 77

The purpose of this resolution is to request the appropriate state agencies and the Governor to expend funds already appropriated by the Legislature to purchase a 300-acre section of land, T.M.K. 8-1-07, in the South Kona district and to develop it into an agricultural park.

Your committees find the proposed site ideal for an agricultural park. The land was formerly in sugar cultivation. According to the Department of Agriculture climatic conditions make the site ideal for vegetable farming and there is a need to expand vegetable crop production in the state. The department reported the basic economic unit in the proposed agricultural park would be 10 acres.

The present owner of the land is apparently willing to sell. The South Kona Water system is now being expanded and water resources would be adequate.

Your Committees on Agriculture, and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.C.R. 77 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 879-76           Agriculture and Water, Land Use, Development, and Hawaiian  
Homes on H.R. No. 436

The purpose of this resolution is to request the appropriate state agencies and the Governor to expend funds already appropriated by the Legislature to purchase a 300-acre section of land, T.M.K. 8-1-07, in the South Kona district and to develop it into an agricultural park.

Your committees find the proposed site ideal for an agricultural park. The land was formerly in sugar cultivation. According to the Department of Agriculture climatic conditions make the site ideal for vegetable farming and there is a need to expand vegetable crop production in the state. The department reported the basic economic unit in the proposed agricultural park would be 10 acres.

The present owner of the land is apparently willing to sell. The South Kona Water system is now being expanded and water resources would be adequate.

Your Committees on Agriculture and Water, Land Use, Development, and Hawaiian Homes concur with the intent and purpose of H.R. 436 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 880-76 Consumer Protection and Commerce on H.R. No. 485

The purpose of this resolution is to commend the major stockholders of Aloha Airlines for their resistance to possible offers by out-of-state interest to purchase a major share of Aloha Airlines stocks.

There have been recent reports of a possible purchase of Aloha Airlines by out-of-state parties and the president of the airline has issued a statement that the major stockholders of Aloha Airlines would resist such a takeover attempt.

Your Committee finds that many locally owned businesses have been purchased by out-of-state parties and there is legitimate concern as to whether such purchases are in the best interest of the State. Therefore, your Committee agrees that the stockholders of Aloha Airlines should be commended for their resistance of any takeover attempt.

Your Committee has amended the resolution by deleting an unnecessary whereas clause referring to takeover by out-of-state interests of various types of local businesses.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 485, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 485, H.D. 1.

Signed by all members of the Committee.

SCRep. 881-76 Consumer Protection and Commerce on H.R. No. 474 (Majority)

The purpose of this resolution is to request a study into the necessity and feasibility of legislation to mandate continuing education in the field of real estate as a condition for renewal of real estate licenses.

Your Committee finds that it is in the best interests of both the public and the real estate industry for those in the industry to be well informed and knowledgeable in order that they may properly advise their clients. In this regard, your Committee is aware that there is discussion within the industry as to the fairness and necessity of requiring specific hours of study in fields related to real estate as a condition of license renewal. It is your Committee's belief that a study should be conducted to determine the advantages and disadvantages of requiring such compulsory continuing education in order to give the Legislature some basis for possible legislative action in this area.

Your Committee has amended the resolution to give primary responsibility for the study to the Department of Regulatory Agencies and let that agency consult with other agencies for information and assistance. Such a procedure was recommended by the Department of Regulatory Agencies as a more orderly and efficient method than to make several organizations responsible for the study as was proposed by the resolution as originally drafted.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 474, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 474, H.D. 1.

Signed by all members of the Committee.

Representative Sutton did not concur.

SCRep. 882-76 Consumer Protection and Commerce on H.R. No. 475

The purpose of this resolution is to request a study by the Department of Regulatory Agencies and the State Insurance Commissioner into the establishment of a self-insured program for real estate errors and omissions insurance.

Your Committee finds that real estate errors and omissions insurance is becoming difficult to obtain. The industry's primary insurer in Hawaii, Appalachian Insurance Company, ceased writing real estate coverage effective December 31, 1975. In order to protect the consumer and the financial stability of real estate companies, several alternatives for providing such insurance have been suggested, including a privately sponsored self-insured program, a state sponsored self-insured program, and a self-insured program using the Real Estate Recovery Fund as a basis.

Your Committee agrees that a study should be conducted as to the feasibility of the establishment of a self-insured program for real estate errors and omissions insurance.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 475 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 883-76 Consumer Protection and Commerce on S.C.R. No. 32

The purpose of this concurrent resolution is to request the Director of Regulatory Agencies, with the assistance of the attorney general and the public utilities commission, to undertake a thorough review of the regulation of cable television systems and to undertake changes necessary to overcome deficiencies and shortcomings identified by the Legislative Auditor in his recent audit of the public utilities program.

Your Committee is in agreement with the Legislative Auditor that there are many deficiencies and shortcomings presently existing in the cable television systems industry, including the lack of, or inadequate, policies, rules, and administrative and enforcement machinery. These deficiencies need to be corrected in order to expedite the expansion of cable television services throughout the state and to insure delivery of quality service to consumers.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 32 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 884-76 Energy and Transportation on H.R. No. 458 (Majority)

The purpose of this Resolution is to request the Department of Transportation to conduct a study on the problems associated with the great increase in small plane traffic at the Honolulu International Airport.

Your Committee finds that the title of this Resolution does not reflect its intent. At its hearing, your Committee heard a number of testimonies based on the title alone, taken verbatim. To avoid further confusion and for the purpose of conformity, your Committee has amended the title to read "REQUESTING THE DEPARTMENT OF TRANSPORTATION TO STUDY THE PROBLEMS ASSOCIATED WITH THE GREAT INCREASE IN SMALL PLANE TRAFFIC AT THE HONOLULU INTERNATIONAL AIRPORT IN THE INTEREST OF COMMON SAFETY".

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 458 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 458, H.D. 1.

Signed by all members of the Committee.

Representative Carroll did not concur.

SCRep. 885-76 Energy and Transportation on H.R. No. 490

The purpose of this Resolution is to direct the Department of Transportation to set specific hours during peak traffic for the use of car pool lanes on Moanalua Freeway and to open these lanes to the general public during non-peak traffic hours.

Your Committee finds that car pool lanes on Moanalua Freeway are seldom used by motorists during weekends and non-peak traffic hours and are, in fact, seriously underutilized. In order to relieve transportation problems and to promote better usage of our state highways, your Committee finds it necessary that carpool lanes be open to the general public during non-peak traffic hours.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 490 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 886-76 Energy and Transportation on H.R. No. 502

The purpose of this Resolution is to request the City and County of Honolulu to purchase and use special hill climber buses for Aiea Heights Drive to the heiau.

The City and County of Honolulu testified that a survey is now being scheduled to determine whether sufficient patronage would be generated to justify this new route.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 502 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 887-76 Health on H.R. No. 264

The purpose of this resolution is to express appreciation to the health care providers in the State and to request the Governor to designate a "Health Care Day".

Your Committee finds that the adequate provision of health care for Hawaii's people is a matter of supreme importance, and the availability of competent health care providers within a community is, accordingly, of vital interest to everyone. It is, therefore, fitting that the appreciation of the State for the health care provided to the people is communicated to the health care providers.

The need for constant attention to health care, and the services available for various health needs justifies and fully warrants the designation of a "Health Care Day" in the State of Hawaii, so that the attention of the community can be focused upon health care and its importance in day-to-day and long-term context.

Your Committee on Health concurs with the intent and purpose of H.R. No. 264 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 888-76 Public Assistance and Human Services on H.R. No. 529

The purpose of this resolution is to request the Department of Budget and Finance to aggregate existing programs within the Assistance for Work-Related Difficulties (02 04) and the Assured Standard of Living (06 02) PPB categories, into a new model for presentation to the 1977 Legislature. The programs within these categories include unemployment insurance, temporary disability insurance, worker's compensation, and prepaid health, administered by the Department of Labor and Industrial Relations; and the public welfare programs: aid-to-families with dependent children, medicaid, food stamps, and general assistance, administered by the Department of Social Services and Housing.

Despite having differing eligibility criteria and benefit payment schedules, these programs are all related to this State's goal of enhancing the economic security of its citizens, and should be examined as such for purposes of planning, programming, and budgeting by the Legislature. To this end, the supplemental information requested by this resolution can be an essential and necessary tool to expedite deliberation on the 1977-79 biennium budget.

The Department of Budget and Finance presented testimony favorable to the adoption of this resolution.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 529 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 889-76 Public Assistance and Human Services and Labor and Public Employment on H.R. No. 83 (Majority)

The purpose of this resolution is to request the Reorganization Commission to study the feasibility of establishing a Department of Economic Security for the State of Hawaii, to administer income maintenance programs such as general assistance (GA), aid-to-

families with dependent children (AFDC), supplemental security income (SSI), food stamps, medicaid, rental supplements, unemployment insurance (UI), temporary disability insurance (TDI), worker's compensation (WC) and pre-paid health.

Hawaii's income maintenance programs are currently administered by two separate departments: work-related assistance programs -- UI, TDI, WC and prepaid health -- fall under the administrative jurisdiction of the Department of Labor and Industrial Relations, and public welfare programs such as AFDC, medicaid, food stamps, and GA are administered by the Department of Social Services and Housing. Although these programs have differing eligibility criteria and compensation schedules, they are all oriented toward ensuring the economic security of Hawaii's residents. Work-related programs provide income supplementation during periods of low or no earnings due to disability or unemployment; public assistance programs provide aid to those who, because of social or physical handicap, are not able to generate income sufficient to maintain a minimal standard of living. In 1974, income maintenance programs provided more than \$175 million in benefits to eligible recipients.

The administration of these programs by a single department would hopefully meet the following objectives: better coordination and communication between programs, equalization of access to program benefits, more efficient and equitable distribution of benefits to eligible persons, and better utilization of available resources through non-duplication of efforts. During the course of its study, the Commission should examine the efficacy of such an administrative reorganization toward achieving these goals. Copies of the testimony submitted by the Departments of Labor and Industrial Relations and Social Services and Housing will be made available, and every effort to solicit further input from the administrators and staff of these departments should be made.

Your Committees on Public Assistance and Human Services and Labor and Public Employment concur with the intent and purpose of H.R. No. 83 and recommend its adoption.

Signed by all members of the Committees.

Representatives Carroll, Larsen and Sutton did not concur.

SCRep. 890-76      Water, Land Use, Development, and Hawaiian Homes on  
S.C.R. No. 44

The purpose of this concurrent resolution is to request that the United States Department of the Navy render the island of Kahoolawe safe for human habitation, and that the United States Government return jurisdiction of Kahoolawe to the State of Hawaii.

Your Committee finds that while the island of Kahoolawe is a potential historic, economic and recreational asset to the State, the present use of the island as a bomb target site by the United States Navy precludes any possibility of realizing these benefits.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 44 and recommends its adoption.

Signed by all members of the Committee except Representative Yap.

SCRep. 891-76      Higher Education and Education on H.R. No. 379

The purpose of this resolution is to request the University of Hawaii to take vigorous affirmative action in 1) providing equal opportunity and equal access for women and men in higher education and 2) in encouraging women to pursue careers in non-traditional, previously male stereotyped occupations.

Your Committees held a public hearing; received testimony from the Academic Planner of the University of Hawaii, the Chairman of the State Commission on Manpower and Full Employment and from the Vice-Chairperson of the State Commission on the Status of Women; and find as follows:

Your Committees recognize that in the past, women have been subjected to conscious and subconscious sex stereotyping and discrimination. As a result, the range of occupational fields which women have been psychologically and educationally prepared to enter have been very limited.

In a recent report completed by the State Commission on Manpower and Full Employment entitled Employment and Training of Women in Hawaii, the Commission noted that although a high proportion of women work in Hawaii, their employment is largely concentrated in relatively few industries and occupations. Vocational education data included in the report revealed that in 1975, 55 percent of all young women enrolled in vocational educational programs took consumer homemaking programs which did not prepare them for paid employment. Of those in vocational education courses which lead to gainful employment, three-fourths were in clerical fields which rarely lead to jobs with high pay or promising career ladders.

Therefore, your Committees believe there is a need to broaden career opportunities for all women by actively seeking the elimination of long-maintained barriers and obstacles to the entry of women into nontraditional occupations.

Your Committees believe the recommendations for specific actions included in the resolution merit special attention. The recommendations include: 1) requesting the State Board for Vocational Education to include objectives that stress equal opportunity for females and males in all vocational education programs; 2) requesting the University of Hawaii to support workshops on sex equality and to develop flexible alternative scheduling of courses to accommodate the special needs of women; and 3) requesting the Graduate programs of the University of Hawaii, especially those in the fields of Business Administration and Economics, to make affirmative efforts to increase the number of women in their programs.

Your Committees are aware that the Board of Regents of the University of Hawaii has adopted a policy on non-discrimination and affirmative action and has amended the resolution in recognition of this fact. Your Committee has further amended the resolution to specifically direct its requests to the University of Hawaii and the State Board for Vocational Education.

Your Committees on Higher Education and Education concur with the intent and purpose of H.R. No. 379, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 379, H.D. 1.

Signed by all members of the Committees.

SCRep. 892-76      Higher Education on H.R. No. 40

The purpose of this resolution is to request the University of Hawaii and the University of Hawaii Professional Assembly to review the requirements for advancement to range V for community college instructors.

Your Committee finds that although one of the requirements for advancement to range V is the possession of a doctorate degree, this requirement has not always been followed in determining the advancement of community college instructors. As a result, the Chancellor of the Community Colleges has placed a moratorium on all faculty advancement to range V until this discrepancy is resolved.

Testimony received by your Committee reveals that the Chancellor of the Community Colleges and the University of Hawaii Professional Assembly are currently working both informally and formally to review and modify the present classification and range advancement system.

Your Committee, however, is deeply concerned over the possible serious adverse effects on the community colleges caused by past inconsistencies as well as by the present moratorium. Therefore, your Committee believes it is imperative that the University of Hawaii and the University of Hawaii Professional Assembly work diligently and swiftly to rectify the current situation.

Your Committee has amended the resolution to request that the University of Hawaii and the University of Hawaii Professional Assembly seek a swift resolution to present discrepancies and submit a report on the resolution of this problem to the Legislature twenty days prior to the convening of the 1977 legislative session.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 40, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 40, H.D. 1.

Signed by all members of the Committee.

SCRep. 893-76 Higher Education on H.R. No. 37

The purpose of this resolution is to request the University of Hawaii Board of Regents to establish a formal mechanism which would enable liberal arts courses at the community colleges to satisfy the requirements of a baccalaureate degree program.

Your Committee held a public hearing; received testimony from the Vice-President of Academic Affairs at the University of Hawaii and from a concerned citizen; and finds as follows:

Your Committee is aware that problems exist concerning the transfer of community college course credits as equivalent to the following baccalaureate degree program requirements: 1) "general education" core course requirements, 2) required pre-requisite courses for upper division work in specific majors; and 3) courses which are considered "electives".

Your Committee believes that in order to take optimal advantage of Hawaii's multi-campus Statewide University system, a formal mechanism must be adopted to remedy effectively these problem areas.

Your Committee feels that a major component of the problem regarding the transferability of credits within the University system is the lack of communication between the four year institutions and the community colleges. Your Committee strongly believes efforts should be made by the University of Hawaii to improve and facilitate communication especially in regards to decisions concerning course or credit requirements in the baccalaureate degree program.

Your Committee has amended the resolution to request the University of Hawaii to submit a report on its progress in this area twenty days prior to the convening of the 1977 legislative session.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 37, H.D. 1.

Signed by all members of the Committee.

SCRep. 894-76 Higher Education on H.R. No. 62

The purpose of this resolution is to request the Dean and Faculty of the University of Hawaii Medical School to consider the development of a section on Oriental medicine within its curriculum.

Your Committee recognizes that there has traditionally been a strong interest among residents of Hawaii in the art of Oriental medicine. A large segment of the older Oriental population in Hawaii still believe in and depend on its curative powers. For this reason, your Committee feels it would be beneficial if doctors trained in Hawaii were able to understand fully the practice of Oriental medicine.

Your Committee is aware that the philosophical approach of Oriental medicine to the human body and the healing process is different from that of Western medicine. In Oriental medicine, environmental conditions and emotional symptoms are considered as critical factors in treating illness. Since Western medicine has yet to understand completely the pathology and health of human beings, your Committee believes the potential benefits of the study of Oriental medicine warrant consideration.

Testimony received by your Committee revealed that there is at present, one faculty member at the School of Medicine, Dr. Julia Tsuei, who has been trained in both Western and Oriental medicine. Dr. Tsuei is currently engaged in research on acupuncture and discusses this technique with medical students in her regular courses.

Your Committee supports the continuation of Dr. Tsuei's research and teaching in acupuncture and further recommends that the University of Hawaii Medical School consider the expansion of instruction in Oriental medicine.

Your Committee has amended the resolution to more broadly express its intent and to request that projected funding costs of the establishment of such a program be included in the University's report to the Legislature.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 62, H.D. 1.

Signed by all members of the Committee.

SCRep. 895-76      Legislative Management

Informing the House that House Resolution Nos. 596 to 632, House Concurrent Resolution Nos. 114 to 121, and Standing Committee Report Nos. 896-76 to 903-76, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 896-76      Health on H.R. No. 441

The purpose of this resolution is to request the Department of Health to investigate the necessity of serological tests for marriage licenses and to report its findings and recommendations at least twenty days prior to the convening of the Regular Session of 1977.

Testimony presented by the Department of Health endorses the intent of this resolution. The field of positive test for syphilis from the mandatory premarital serological test is small (less than .5 percent); justification for continuation of this program needs to be reviewed.

Your Committee on Health concurs with the intent and purpose of H.R. No. 441 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 897-76      Health on H.R. No. 440

The purpose of this resolution is to devise a positive program for the control and virtual eradication of venereal disease among the people of Hawaii. Formulation of this program and eventual recommendations shall be the responsibility of the Department of Health. Your Committee concurs that such responsibility is well within the purview of the Department.

The incidence of venereal disease is continuing to rise to alarmingly high levels, especially among the fifteen to twenty-nine age group. A case in point is in the fifteen to nineteen age bracket which has experienced an increase from 44.9 cases per 100,000 population in 1963 to 727.4 per 100,000 in 1974.

In view of such startling facts, responsible action by the State is imperative and perhaps mandatory to forestall the long-term debilitating effects of venereal disease among the State's chief resource, namely, its people.

Recent experience has shown that, although invaluable in itself, increased public education and easy access to treatment have not been able to combat this threat.

Thus, the need for a comprehensive plan to determine the parameters of the venereal disease problems and the potential costs and benefits involved in its solution.

Your Committee on Health is in accord with the intent and purpose of H.R. No. 440 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 898-76      Health on H.C.R. No. 82

The purpose of this concurrent resolution is to devise a positive program for the control and virtual eradication of venereal disease among the people of Hawaii. Formulation of this program and eventual recommendations shall be the responsibility of the Department of Health. Your Committee concurs that such responsibility is well within the purview of the Department.

The incidence of venereal disease is continuing to rise to alarmingly high levels, especially among the fifteen to twenty-nine age group. A case in point is in the fifteen to nineteen age bracket which has experienced an increase from 44.9 cases per 100,000 population in 1963 to 727.4 per 100,000 in 1974.

In view of such startling facts, responsible action by the State is imperative and perhaps mandatory to forestall the long-term debilitating effects of venereal disease among the State's chief resource, namely, its people.

Recent experience has shown that, although invaluable in itself, increased public education and easy access to treatment have not been able to combat this threat.

Thus, the need for a comprehensive plan to determine the parameters of the venereal disease problems and the potential costs and benefits involved in its solution.

Your Committee on Health is in accord with the intent and purpose of H.C.R. No. 82 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 899-76      Energy and Transportation on H.C.R. No. 109

The purpose of this concurrent resolution is to request the Governor in cooperation with the Mayors of the several counties to evaluate each of the major proposals of the Arthur Young study and recommend a course of action.

Your Committee finds that the Arthur Young study includes a series of recommendations proposing significant conceptual changes to the division of transportation responsibilities and funding as between the State and the County governments in Hawaii, and substantial changes in existing statutory provisions and administrative practices.

Your Committee further finds that additional Executive Branch review of the proposals made in the Arthur Young study appears appropriate before any legislative action is taken.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.C.R. No. 109 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 900-76      Energy and Transportation on H.C.R. No. 108

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources and the Department of Transportation to submit a report on the results of their actions taken regarding control of public lands associated with harbor operations of the Department of Transportation and the disposition of revenues derived from such public lands.

Your Committee finds that the recent management audit of the recreational boating program conducted by the Office of the Legislative Auditor indicates that considerable confusion exists between the Department of Transportation and the State Department of Land and Natural Resources.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.C.R. 108 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 901-76      Energy and Transportation on H.R. No. 552

The purpose of this resolution is to request the Department of Land and Natural Resources and the Department of Transportation to submit a report on the results of their actions taken regarding control of public lands associated with harbor operations of the Department of Transportation and the disposition of revenues derived from such public lands.

Your Committee finds that the recent management audit of the recreational boating program conducted by the Office of the Legislative Auditor indicates that considerable

confusion and a serious lack of effective coordination exists between the Department of Transportation and the State Department of Land and Natural Resources.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 552 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 902-76 Energy and Transportation on H.R. No. 253

The purpose of this Resolution is to request the Department of Transportation to study the traffic problems on the Belt Highway near Plumeria Street and to recommend to the Legislature needed improvements and cost factors.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 253 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 903-76 Energy and Transportation on H.R. No. 553

The purpose of this Resolution is to request the Committee on Energy and Transportation to review during the interim period various aspects of the recreational boating and small boat harbors program covered by the legislative auditor.

Your Committee finds that the recent management audit of the recreational boating program reveals the existence of serious problems affecting (a) the organization for administration of the recreational boating program; (b) property and resource management under the program; and (c) the financing of the program, with particular reference to interrelationships between special fund and general fund financing.

Your Committee further finds that the management audit report makes various recommendations which warrant careful attention and consideration.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 553 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 904-76 Legislative Management

Informing the House that House Resolution Nos. 633 to 635, Standing Committee Report Nos. 905-76 to 916-76, Special Committee Report No. 18, Conference Committee Report No. 1 on House Bill No. 1499, H.D. 1, S.D. 1, C.D. 1, and Conference Committee Report No. 2 on House Bill No. 1886, S.D. 3, C.D. 1, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 905-76 Public Assistance and Human Services on H.C.R. No. 4

The purpose of this resolution is to request the Office of the Legislative Auditor to conduct a management audit of the Progressive Neighborhoods Program and its various sub-programs, in order that its organization and operations may be improved to better promote the achievement of program objectives.

The Progressive Neighborhoods Program (PNP) was established by the Legislature as a model action program designed to help alleviate inter-related economic, health, social and physical problems in identified neighborhoods, through the reallocation of existing resources, and the application of new resources. In 1975, the program funded and coordinated a total of twenty-two projects in four multi-problem community areas: Kalihi-Palama, Waianae-Nanakuli, Waimanalo, and Molokai. PNP's functions include project planning and monitoring, research and evaluation, fiscal record keeping, and providing staff assistance to the Progressive Neighborhoods Program Task Force.

Testimony heard by your Committee indicates that within the past year, the program has taken the following action toward increasing management efficiency and effectiveness:

- 1) Instituted a management information system for all PNP funded projects to measure project performance and highlight possible problems.
- 2) Establish a quarterly visitation program of all projects.
- 3) Developed guidelines for project evaluation, to be used as the basis for recommending future disposition of the project.
- 4) Embarked on negotiations with line agencies to pick up projects which have demonstrated effectiveness.

Your Committee finds, however, that a comprehensive management audit of the entire program would serve to foster further organizational change in the direction of facilitating the achievement of program goals and objectives.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.C.R. No. 4 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 906-76

Health on H.C.R. No. 98

The purpose of this concurrent resolution is to obtain for the patient residents of Kalaupapa the assurance that they will be permitted to remain at the settlement for as long as they may choose by requesting the Department of Health to establish such a policy.

Over the years, the Kalaupapa Settlement has become a true home for many leprosy patients. Statistics reveal that of all patients eligible for release from Kalaupapa, only five percent have elected to return to the outside community.

According to testimony presented before your Committee, the Department of Health is sympathetic to the wishes of the patient residents of Kalaupapa. The department is proceeding with plans to design and build a facility designed to meet skilled nursing facility standards which would be adequate to meet the needs of those patients requiring extra care. Such a facility would make it unnecessary to transfer patients to another facility for care and treatment except in the most serious cases.

The Department of Health feels that this commitment to construct such a facility in the near future may be construed as a decision by the department to assure the patients at Kalaupapa that they will be permitted to remain at the Settlement for as long as they may choose. The Department of Health agrees with the intent and purpose of this resolution and supports its adoption.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 98 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 907-76

Agriculture on H.C.R. No. 106

The purpose of this Resolution is to support and firmly endorse the establishment of a mass rearing laboratory for fruit fly control and eradication.

Your Committee finds that the presence of the Mediterranean Fruit Fly, the Oriental Fruit Fly and the Melon Fly constitutes a serious impediment to the orderly development and growth of agriculture in Hawaii. Hawaii is the only known area with simultaneous infestations of these three destructive fruit fly species. The annual cost and loss to the State as a result of these infestations has been estimated at \$50 million. The State's bio-control efforts have reduced the population of these three species but has not eliminated the need to treat all suspect fruits and vegetables for export to meet overseas quarantine requirements.

In contrast to the Continental United States where the three fruit flies are not established, the control of fruit flies by Hawaiian farmers is an additional production cost.

In addition, the eradication of the fruit flies in Hawaii will accelerate and greatly

expand the production and marketing of fruit fly susceptible commodities.

It is the Committee's understanding that the proposed mass rearing facility will be constructed and operated primarily with federal funds. Since Hawaii will benefit from this federal program, the State is expected to assist the United States Department of Agriculture in site selection and acquisition for the facility and provide cooperative effort in field and laboratory research activities.

It is also the Committee's understanding that the mass rearing facility will be the primary facility for research and mass rearing of the Mediterranean Fruit Fly, the Oriental Fruit Fly, and the Melon Fly for the eradication of these pests in any part of the world as determined and designated by the United States Department of Agriculture.

Your Committee finds that the potential loss to the Mainland United States as a result of damage by these fruit flies is estimated at several billion dollars annually. The immediate thrust of the proposed mass rearing facility in Hawaii will be geared towards eradicating incipient fruit fly infestations in and near the borders of the Continental United States.

The eradication program for Hawaii may commence later, after the necessary research and pilot studies have been completed and funding for this purpose has been approved.

Your Committee has made the following amendments:

a. In paragraph 3, page 1 insert the words, "if they become established" after "several billions of dollars".

b. Paragraph 3, page 2, has been amended to read as follows:

"WHEREAS, the United States Department of Agriculture has indicated a strong interest in establishing such a facility in Hawaii with substantial federal financial support for the endeavor; now, therefore,"

c. Another BE IT FURTHER RESOLVED clause has been inserted immediately preceding the last paragraph on page 2 to read as follows:

"BE IT FURTHER RESOLVED that each member of Hawaii's delegation to the Congress of the United States be respectfully requested to support efforts to establish and operate the proposed facility; and"

In addition, your Committee has amended the last paragraph to read as follows:

"BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Deputy Administrator, Agricultural Research Service Western Region; United States Department of Agriculture; Western Regional Director, Plant Protection and Quarantine Programs, Animal and Plant Health Inspection Service, United States Department of Agriculture; Acting Dean, College of Tropical Agriculture, University of Hawaii; Chairperson, Hawaii State Board of Agriculture; the Governor of Hawaii; and to each member of Hawaii's delegation to the Congress of the United States."

Your Committee on Agriculture is in accord with the intent and purpose of H.C.R. No. 106, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 106, H.D. 1.

Signed by all members of the Committee.

SCRep. 908-76 Finance on H.R. No. 303

The purpose of this resolution is to request the Governor of Hawaii to examine the modification of policies and practices governing the allotment of funds for operations of the public schools and to direct the implementation of actions needed to simplify the allotment system to facilitate the provision of all funds intended for school operations. It further requests the Board of Education to examine the allotment system within the Department of Education and to initiate corrective measures.

The findings of House Standing Committee Report No. 692-76 are incorporated in this report.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 303 and

recommends its adoption.

Signed by all members of the Committee.

SCRep. 909-76 Finance on H.C.R. No. 49

The purpose of this Concurrent Resolution is to request the Governor of Hawaii to examine the modification of policies and practices governing the allotment of funds for operations of the public schools, and to direct the implementation of actions needed to simplify the allotment system to facilitate the provision of all funds intended for school operations. It further requests the Board of Education to examine the allotment system within the Department of Education and to initiate corrective measures.

Your Committee has reviewed the findings of House Standing Committee Report No. 691-76 which are incorporated herein.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 49 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 910-76 Finance on H.R. No. 473

The purpose of this resolution is to urge the United States Congress to amend the appropriate Internal Revenue Code to enable voluntary and/or involuntary real property sales transactions under Act 307, Hawaii Revised Statutes, without the prodigious tax impact that would now be imposed on landowners.

One reason that the large estates are reluctant to sell land to homeowners in this State is that the sale of these lands would result in a tremendous tax impact. If more than a small number of lots are sold during one tax year, the income therefrom would be taxed as ordinary income at a rate of 48 per cent. An amendment to the Internal Revenue Code to alleviate this tax burden would encourage the sale of residential lands now leased, would ameliorate the problems caused by substantial lease rent increases upon renegotiation and would enhance the opportunity of the citizens of Hawaii to own the lands upon which their homes are located.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 473 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 911-76 Finance on H.R. No. 529

The purpose of this resolution is to request the Department of Budget and Finance to aggregate existing programs within the Assistance for Work-Related Difficulties (02 04) and the Assured Standard of Living (06 02) PPB categories, into a new model for presentation to the 1977 Legislature. The programs within these categories include unemployment insurance, temporary disability insurance, worker's compensation, and prepaid health, administered by the Department of Labor and Industrial Relations; and the public welfare programs: aid-to-families with dependent children, medicaid, food stamps and general assistance, administered by the Department of Social Services and Housing.

Your Committee agrees with the findings expressed in House Standing Committee Report No. 888-76.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 529 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 912-76 Finance on H.C.R. No. 14

The purpose of this concurrent resolution is to request the Director of Regulatory Agencies, with the assistance of the attorney general and the public utilities commission,

to undertake a thorough review of the regulation of cable television systems and to undertake changes necessary to overcome deficiencies and shortcomings identified by the Legislative Auditor in his recent audit of the public utilities program.

The Legislative Auditor found that there are many deficiencies and shortcomings presently existing in the cable television systems industry, including the lack of, or inadequate, policies, rules, and administrative and enforcement machinery. These deficiencies need to be corrected in order to expedite the expansion of cable television services throughout the state and to insure delivery of quality service to consumers.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 14 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 913-76      Education on H.R. No. 539

The purpose of this resolution is to request the Department of Education to submit a report describing the need for and feasibility of instituting a youth-focused legal education curriculum for grades K-12. The Department is also requested to submit its report at least twenty days prior to the convening of the Regular Session of 1977.

It is the belief of your Committee that, in today's complex and legalistic society, justice and democracy require that each person have a basic understanding of our legal system and the principles by which it operates. Your Committee feels that an adequate understanding of the legal process can enable the individual to function effectively in society and, in the long run, can reduce the impending danger of public apathy, frustration, and alienation.

Testimony by the Department of Education indicates that the Department has already begun to respond to the need for youth-focused legal education on the primary and secondary levels. Currently, the Department is trying different approaches at the various levels in the total curriculum. It is field-testing materials from the Law in a Free Society National Project (UCLA) in selected elementary, intermediate, and high schools, trial-testing a unit of study on Voter Education and Citizenship Responsibilities, and has included a required unit of study on rights, freedom, and responsibilities of all individuals in grade 8 social studies curriculum.

Your Committee recognizes that any K-12 curriculum development effort with prototype curriculum materials implies a long-term project (development, field-testing, evaluation, revision, in-service training etc.) with related high costs. The Department indicates that with a more informal approach, available materials can be modified and adapted to fit the existing curriculum with adequate in-service training and relatively minimal costs.

Your Committee recommends five amendments to this Resolution.

Whereas clause number five is amended since the DOE has already initiated activity in the area of youth-focused legal education. The first line of Whereas clause number seven is amended to read "may" instead of "can" to account for the developmental nature of the curriculum. The Be It Resolved clause is amended to request a report on the DOE's plans and activities in the development of a youth-focused legal education curriculum. The Be It Further Resolved clause number one is deleted in its entirety from the body of the Resolution. The last Be It Further Resolved clause is amended to include Mr. Leigh Wai Doo, Mr. Darwin Ching, and members of the Hawaii Committee on Legal Education for Youth as recipients of this amended resolution.

Your Committee on Education concurs with the intent and purpose of H.R. No. 539, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 539, H.D. 1.

Signed by all members of the Committee.

SCRep. 914-76      Consumer Protection and Commerce on H.R. No. 439

The purpose of this resolution is to request the Hawaii Bankers Association to work toward the establishment of a special Information Bank containing the names of persons who misuse their checking accounts and to have the Prosecutors office make every effort to prosecute habitual abusers of checking accounts to the fullest extent

of the law.

It has been estimated that Hawaii businesses lose \$8,000,000 to \$10,000,000 annually as a result of bad checks and that three per cent of the total amount of persons who have checking accounts are responsible for over forty per cent of the losses. The losses caused by bad checks affect all consumers as it increases the cost of doing business and this cost is reflected in higher prices.

The implementation of an Information Bank of persons who habitually abuse checking accounts should help to reduce the amount of bad checks written. If a bank is aware that a person who applies for a checking account is someone who has previously abused the use of a checking account, it could exercise discretion in accepting the application.

Further, vigorous prosecution of those who intentionally write bad checks will act as a deterrent to this practice.

Your Committee has amended the resolution to have the Hawaii Bankers Association "work toward" the establishment of an Information Bank rather than establish an Information Bank. The amendment is in recognition of the fact that the Association itself cannot establish the Information Bank but can only recommend the establishment to its members.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 439, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 439, H.D. 1.

Signed by all members of the Committee.

SCRep. 915-76 Consumer Protection and Commerce on H.C.R. No. 81

The purpose of this concurrent resolution is to request the Hawaii Bankers Association to work toward the establishment of a special Information Bank containing the names of persons who misuse their checking accounts and to have the Prosecutors office make every effort to prosecute habitual abusers of checking accounts to the fullest extent of the law.

It has been estimated that Hawaii businesses lose \$8,000,000 to \$10,000,000 annually as a result of bad checks and that three per cent of the total amount of persons who have checking accounts are responsible for over forty per cent of the losses. The losses caused by bad checks affect all consumers as it increases the cost of doing business and this cost is reflected in higher prices.

The implementation of an Information Bank of persons who habitually abuse checking accounts should help to reduce the amount of bad checks written. If a bank is aware that a person who applies for a checking account is someone who has previously abused the use of a checking account, it could exercise discretion in accepting the application.

Further, vigorous prosecution of those who intentionally write bad checks will act as a deterrent to this practice.

Your Committee has amended the resolution to have the Hawaii Bankers Association "work toward" the establishment of an Information Bank rather than establish an Information Bank. The amendment is in recognition of the fact that the Association itself cannot establish the Information Bank but can only recommend the establishment to its members.

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

Signed by all members of the Committee.

SCRep. 916-76 Higher Education on H.R. No. 519

The purpose of this resolution is to request the University of Hawaii at Manoa to review its policy on student travel necessary to fulfill academic program requirements which impose extraordinary financial demands on students.

Your Committee finds that certain academic programs at the University of Hawaii, especially on the graduate level, require students to travel in order to complete research

or training in a specific field of study.

Your Committee further finds that an example of such a program is the University of Hawaii's astronomy program which requires its students to spend typically 25 nights or days of observations at astronomical research facilities on Mauna Kea and on Haleakala. The students involved must pay for their own travel expenses, approximately \$200.00 per trip, from the Manoa campus to the observatories. The effect of this cost on the resources of a typical student is magnified by the fact that several separate trips are frequently required to complete a specific project in observational astronomy.

Testimony received by your Committee from the Dean of the Graduate Division reveals that students in botany, zoology, geology, geophysics, and oceanography must also make field trips for their research, ranging from outer island destinations to foreign countries.

Therefore, your Committee believes there is a need for the University of Hawaii to examine its policy regarding student travel which impose extraordinary financial demands on students and to develop recommendations based on its findings.

Your Committee has amended this resolution to more clearly describe the scope of student needs.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 519, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 519, H.D. 1.

Signed by all members of the Committee.

SCRep. 917-76 Higher Education on H.R. No. 589

The purpose of this resolution is to request the United States Congress to enact the Family Research Act of 1975.

Your Committee held a public hearing; received testimony on behalf of the Assistant Dean of the Division of Human Resources Development; and finds as follows:

The purpose of the Family Research Act is to provide funds to support family-related research with the aims of strengthening and promoting the ideals of the family system. The Act will authorize a program of research to be carried out, under the supervision of the Secretary of Agriculture, through State Agricultural experiment stations and land-grant colleges of the United States. Under this Act, the Division of Human Resources Development in the College of Tropical Agriculture at the University of Hawaii will be eligible for an initial grant of \$100,000.

Your Committee is aware that rapid social, economic and political changes in American society have placed increasingly stressful pressures upon the traditional family unit. Your Committee believes that increased support for family-related research, as provided in the United States Senate bill, will ultimately help in alleviating this stress and in reducing the social costs of mental and physically ill health, family breakdown and delinquency.

Therefore, your Committee wholeheartedly supports this resolution requesting the United States Congress to pass the Family Research Act.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 589 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 918-76 Higher Education on H.R. No. 520

The purpose of this resolution is to request the University of Hawaii to: 1) continue funding for community service and research programs during the 1976-77 school year, and 2) to conduct a thorough and comprehensive review of these programs including a) a description of each program, b) a description of the University's involvement and c) the University's position as to the proper expending agency for each program.

Your Committee finds that community service and research programs currently adminis-

tered by the University of Hawaii provide valuable services in a wide range of areas. Existing programs provide opportunities and assistance to disadvantaged minority groups, returning women students and to many others. In addition, valuable research projects conducted by the University aid the State in critical areas of economic development such as agriculture.

While recognizing their value, the University of Hawaii administration has suggested that appropriations for these programs should be more properly directed to State agencies which would in turn contract with the University.

The Legislature, on the other hand, finds that many of these programs do in fact serve a University related purpose.

Therefore, your Committee requests that the University conduct a comprehensive review of its community service and research programs. Such a review will assist the University and the Legislature in: 1) gaining clearer definitions and understandings of University responsibilities regarding community service and 2) in defining priorities among existing and emerging programs.

Your Committee is aware that decisions concerning community service program funding are currently being made as the University continues its preparation of the next biennium budget request. Since it may be beneficial to begin discussions during the period of the determination of the budget, your Committee has amended the resolution to state that the House Committee on Higher Education may conduct interim hearings on this matter.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 520, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 520, H.D. 1.

Signed by all members of the Committee.

SCRep. 919-76      Public Assistance and Human Services on H.R. No. 279

The purpose of this resolution is to request the Office of the Legislative Auditor to conduct a management audit of the Progressive Neighborhoods Program and its various sub-programs, in order that its organization and operations may be improved to better promote the achievement of program objectives.

The Progressive Neighborhoods Program (PNP) was established by the Legislature as a model action program designed to help alleviate inter-related economic, health, social and physical problems in identified neighborhoods, through the reallocation of existing resources, and the application of new resources. In 1975, the program funded and coordinated a total of twenty-two projects in four multi-problem community areas: Kalihi-Palama, Waianae-Nanakuli, Waimanalo, and Molokai. PNP's functions include project planning and monitoring, research and evaluation, fiscal record keeping, and providing staff assistance to the Progressive Neighborhoods Program Task Force.

Testimony heard by your Committee indicates that within the past year, the program has taken the following action toward increasing management efficiency and effectiveness:

- 1) Instituted a management information system for all PNP funded projects to measure project performance and highlight possible problems.
- 2) Establish a quarterly visitation program of all projects.
- 3) Developed guidelines for project evaluation, to be used as the basis for recommending future disposition of the project.
- 4) Embarked on negotiations with line agencies to pick up projects which have demonstrated effectiveness.

Your Committee finds, however, that a comprehensive management audit of the entire program would serve to foster further organizational change in the direction of facilitating the achievement of program goals and objectives.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 279 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 920-76          Judiciary on H.R. No. 336

The purpose of this Resolution is to have the Legislative Reference Bureau prepare a report on potential constitutional issues so that the people can make an informed decision on whether or not they wish to call a constitutional convention.

Act 2 of the current session of the legislature provides that the question, "Shall there be a convention to propose a revision of or amendments to the Constitution?" shall be placed before the electorate in the general election of 1976. In order for the public to make an informed decision on that question, your Committee believes that the legislature, through a report by the Legislative Reference Bureau, should provide the public with information on potential constitutional issues. Such a report to the people will assist voters in deciding whether the issues warrant the call of a constitutional convention.

The report on constitutional issues is to be prepared in the form of a digest, pamphlet, or some other easily readable, graphically attractive and understandable form. It is to be given the widest possible public dissemination through community groups, legislators, libraries, schools, the news media and other organizations and institutions beginning at least 90 days before the 1976 general election.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 336 and recommends its referral to the Committees of Legislative Management/Finance.

Signed by all members of the Committee.

SCRep. 921-76          Labor and Public Employment on H.R. No. 570

The purpose of this resolution is to request the Legislative Reference Bureau to complete the production of charts relating to the structure and organization of the agencies of the State, that it began during the 1976 Legislative session. The organizational structure charts are intended to clarify and provide understanding and interpretation of the functional roles and interrelationships of the various State agencies and their personnel.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.R. No. 570 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 922-76          Labor and Public Employment on H.R. No. 571

The purpose of this Resolution is to request the Department of Budget and Finance and the Department of Taxation to undertake a joint feasibility study of a deferred compensation program for public employees in Hawaii, with particular attention to the tax revenue consequences of such a plan to the State.

Your Committee finds that the need to attract and retain employees of the highest caliber as public servants in Hawaii necessitates constant and innovative scrutiny of personnel policies and compensation alternatives for such employees. While such imaginative personnel and compensation policies are highly desirable, in this era of inflation and increased government spending, care must be taken that while public employees receive the highest consideration, the public and government fiscal policy are not adversely affected by them.

Your Committee further finds that the deferred compensation plans may provide a major retirement benefit to employees at no cost to the State. To assure that any steps toward the implementation of a deferred compensation plan have no adverse impact on the State, it is essential that the subject be thoroughly studied prior to legislative action. Because both the Department of Budget and Finance and the Legislative Reference Bureau have expressed concern over undertaking such a study, your Committee has amended the Resolution to provide that your Committee conduct an interim investigation of the proposals and implications relating to deferred compensation.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.R. No. 571, as amended herein, and recommends that it be referred to the Committee

on Finance, in the form attached hereto as H.R. No. 571, H.D. 1.

Signed by all members of the Committee.

SCRep. 923-76 Labor and Public Employment on H.R. No. 616

The purpose of this Resolution is to request the Committee on Labor and Public Employment with the assistance of the Legislative Reference Bureau to review during the interim period the State's policies on fringe benefits with input from the Employees' Retirement System, the Department of Labor and Industrial Relations, the Public Employees' Health Fund, and other concerned parties.

Your Committee finds that the subject of fringe benefits has become one of the most important issues facing state and local governments. The use of the word "fringe" implies that these benefit programs are marginal and secondary to the employee, but a recent survey of municipal fringe benefits revealed that they averaged 31 per cent of the pay check and within the next ten years the cost of fringe benefits could well equal paycheck dollars.

Your Committee further finds that in view of these concerns it is imperative that a review of the State's policies be done.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.R. No. 616 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 924-76 Agriculture on H.R. No. 136 (Majority)

The purpose of this Resolution is to request the United States Department of Agriculture, the State Departments of Agriculture, Transportation, Planning and Economic Development, and the Hawaii Congressional Delegation to intercede with the Civil Aeronautics Board to authorize direct flights from Kauai to the Mainland. The Resolution further requests that the same parties prevail upon the Civil Aeronautics Board to require uniform air freight rates from all airports in the State to any point on the Mainland.

Your Committee finds that land on Kauai suitable and available for diversified agriculture is increasing and that there has been a substantial increase in the production of some agricultural commodities. The current annual Kauai papaya shipment of 700,000 pounds is expected to reach approximately 12,000,000 pounds within two years. Much of this production will require transshipment from Kauai to Honolulu International Airport for connecting flights to Mainland markets. However, many tropical fruits, including papayas, have a short shelf life and require timely flight scheduling with a minimum of delays. Direct flights from Kauai to the Mainland would minimize spoilage caused by transshipment time and handling.

To support direct flights from Kauai to the Mainland, the Department of Transportation may review the Kauai Airport facilities in terms of its capability to handle such transshipments. Such a review should include a determination as to whether or not the existing runway should be widened, lengthened or reconstructed. The Department of Transportation may also determine whether a new runway on a north-south alignment should be built to improve the all weather capability of the airport.

Your Committee also finds that the difference in flight time and mileage from any airport in Hawaii to any point on the Mainland is negligible, and such small differences are not basis for any variance in freight tariffs.

Your Committee on Agriculture is in accord with the intent and purpose of H.R. No. 136 and recommends that it be referred to the Committee on Energy and Transportation.

Signed by all members of the Committee except Representatives Morioka and Hakoda.

Representative Abercrombie did not concur.

SCRep. 925-76      Housing on H.R. No. 569

The purpose of this resolution is to request the Legislative Reference Bureau to study the pattern of leasehold expirations, particularly in those areas where these terminations occur together for the next five-year period and the feasibility of legislating uniform due process rights for termination of such leases.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 569 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 926-76      Judiciary on H.R. No. 510

The purpose of this resolution is to have the Office of the Legislative Reference Bureau, with the cooperation of the Campaign Spending Commission and Office of the Lieutenant Governor study the feasibility of public financing of elections.

Your Committee agrees that it would be desirable to explore an innovative program relating to campaign expenditures which would attempt to equalize candidates in light of the recent United States Supreme Court decision in Buckley v. Valeo, 44 Law Week 4127, which held that campaign expenditure limitations are unconstitutional.

Your Committee has amended this resolution to provide that the input of interested private organizations be considered within the proposed study.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 510, as amended herein, and recommends its joint referral to the Committee on Finance and Committee on Legislative Management in the form attached hereto as H.R. No. 510, H.D. 1.

Signed by all members of the Committee.

SCRep. 927-76      Legislative Management

Informing the House that House Resolution Nos. 636 to 640, House Concurrent Resolution No. 122, Standing Committee Report Nos. 917-76 to 926-76, and 928-76 to 952-76, and Conference Committee Report Nos. 2 to 36 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 928-76      Labor and Public Employment on S.C.R. No. 5

The purpose of this concurrent resolution is to request the United States Congress to amend the Internal Revenue Code to provide clarification of the tax impact on prepaid legal service plans, in particular:

- (1) Enact H. 3025, H. 8579 or S. 2051 which would provide that the contributions of an employer to a prepaid legal service plan are not taxable to the employee beneficiary of the plan and would also provide that the value of the benefits received under a prepaid legal service plan are not taxable to the member receiving the benefits; and
- (2) Amend section 501(c) of the Internal Revenue Code to provide that Taft-Hartley funds and non-Taft-Hartley funds are not taxed on the contributions received by them during the taxable year.

Your Committee finds that in 1972, approximately 32 million Americans with incomes between \$5,000 and \$15,000 were unable to afford legal services because they were too expensive. One of the methods of providing legal services to these persons and others who need them is through prepaid legal services.

Congress has amended the Taft-Hartley Act to allow the formation of trust funds to provide for such prepaid legal services plans. Congress has apparently preempted State action in the area of prepaid legal service plans which involves certain employers and employees covered by the Employee Retirement Income Security Act of 1974. Both

of these Congressional Acts will encourage the formation of prepaid legal services plans; however, the income tax impact on these plans still remains unclear.

Your Committee on Labor and Public Employment concurs with the intent and purpose of S.C.R. No. 5 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 929-76 Consumer Protection and Commerce on H.R. No. 559

The purpose of this resolution, as amended, is to review the concept of a sunset ("drop dead") provision for regulatory boards and commissions. The review will include study of the procedures required to implement the concept, the feasibility of implementing the concept, and the statutory modifications necessary to conform our present statutes to this concept.

There has been considerable debate in recent years on the relative merits and effectiveness of regulation of professions by professional regulatory bodies. Some of these agencies continue to exist long after the immediate and compelling harm, which it sought to resolve or mitigate, has passed. Your Committee believes that systematic, periodic reassessment of the need and functions of regulatory boards is healthy and will encourage better and more responsive allocation of the State's consumer protection resources.

Since the Department of Regulatory Agencies is planning to study and develop guidelines for public regulation of professions, your Committee recommends that this resolution be amended to have the Department, rather than the Legislative Reference Bureau, carry out this request. Your Committee further recommends technical language changes, including a change in the title of the resolution, to more accurately reflect that this proposed review may be incorporated in the Department's study.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 559, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 559, H.D. 1.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 930-76 Higher Education on H.C.R. No. 104

The purpose of this concurrent resolution is to request the Governor of the State of Hawaii to release funds for the continuation of summer session at the community colleges of the University of Hawaii system during 1976.

Your Committee held a public hearing; received testimony from the Chancellor of the Community Colleges, the Student Body President of Leeward Community College, and from a representative of the Leeward Community College Faculty Senate; and finds as follows:

Your Committee is aware that early this year, the University decided to discontinue summer session programs at the community colleges for the upcoming summer. Two major factors motivated this decision. First, pursuant to Act 131, Session Laws of Hawaii 1975, which created a special fund for certain programs at the community colleges including summer session, the University determined that a complete review of summer session program funding was necessary at this time. Until a definitive policy is established, the University felt summer session should not be held. Secondly, the University has stated that tight fiscal constraints have affected the level of funding available for summer session purposes at the community colleges.

In both instances, your Committee believes that these reasons are inadequate to justify the discontinuance of a program that has been an ongoing service of our community colleges. During the 1975 legislative session, your Committee's approval of the legislation embodied in Act 131 did not include severance of summer school services. Additionally, legislative review of the 1975-77 budget request included a specific appropriation earmarked for summer school services. It is your Committee's contention that administrative policies should not interfere with the delivery of anticipated and needed services.

Already, your Committee finds that the termination of summer session programs will

seriously affect the progress of students currently enrolled in the University system and not previously advised of the University's decision. Industrious students anxious to complete their degree requirements as well as students in need of remedial work, depend on the opportunity to take summer course offerings. Should summer session at the community colleges be discontinued for the upcoming summer, these students will suffer a severe setback in their higher educational goals.

In addition, your Committee finds that the cancellation of summer session will have serious financial implications for students supported by the G.I. bill. It has been estimated by the University that approximately 1,200 veterans, many of whom are married and have families, will be facing financial difficulties if their plans to attend summer session at the community colleges are curtailed. The total loss of Federal financial aid for these students has been estimated at approximately \$360,000.

Therefore, your Committee reiterates its belief that policy decisions regarding the funding of community college summer session should be established prior to a decision to discontinue services. In view of the serious adverse effects on students should summer session be cancelled, your Committee strongly supports this concurrent resolution requesting the Governor to release funds to support its continuance.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 104 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 931-76 Higher Education on H.R. No. 534

The purpose of this resolution is to request the Governor of the State of Hawaii to release funds for the continuation of summer session at the community colleges of the University of Hawaii system during 1976.

Your Committee held a public hearing; received testimony from the Chancellor of the Community Colleges, the Student Body President of Leeward Community College, and from a representative of the Leeward Community College Faculty Senate; and finds as follows:

Your Committee is aware that early this year, the University decided to discontinue summer session programs at the community colleges for the upcoming summer. Two major factors motivated this decision. First, pursuant to Act 131, Session Laws of Hawaii 1975, which created a special fund for certain programs at the community colleges including summer session, the University determined that a complete review of summer session program funding was necessary at this time. Until a definitive policy is established, the University felt summer session should not be held. Secondly, the University has stated that tight fiscal constraints have affected the level of funding available for summer session purposes at the community colleges.

In both instances, your Committee believes that these reasons are inadequate to justify the discontinuance of a program that has been an ongoing service of our community colleges. During the 1975 Legislative Session, your Committee's approval of the legislation embodied in Act 131 did not include severance of summer school services. Additionally, legislative review of the 1975-77 budget request included a specific appropriation earmarked for summer school services. It is your Committee's contention that administrative policies should not interfere with the delivery of anticipated and needed services.

Already, your Committee finds that the termination of summer session programs will seriously affect the progress of students currently enrolled in the University system and not previously advised of the University's decision. Industrious students anxious to complete their degree requirements as well as students in need of remedial work, depend on the opportunity to take summer course offerings. Should summer session at the community colleges be discontinued for the upcoming summer, these students will suffer a severe setback in their higher educational goals.

In addition, your Committee finds that the cancellation of summer session will have serious financial implications for students supported by the G.I. bill. It has been estimated by the University that approximately 1,200 veterans, many of whom are married and have families, will be facing financial difficulties if their plans to attend summer session at the community colleges are curtailed. The total loss of Federal financial aid for these students has been estimated at approximately \$360,000.

Therefore, your Committee reiterates its belief that policy decisions regarding the funding of community college summer session should be established prior to a decision to discontinue services. In view of the serious adverse effects on students should summer session be cancelled, your Committee strongly supports this resolution requesting the Governor to release funds to support its continuance.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 534 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 932-76 Education and Culture and the Arts on H.R. No. 470

The purpose of this resolution is to request the Department of Education to establish a program for the display of student art works in public buildings. The resolution provides that art displays may include, but not be limited to, paintings, wall hangings, sculpture, ceramics, and other works of art created by students in the public schools.

The resolution sets forth guidelines for the establishment and implementation of the art display program. The state office is requested to establish procedural rules for the display of art works, while the district office is requested to appoint a District Art Display Committee consisting of students, teachers, and parents.

Your Committees concur that art plays an important role in the cognitive-affective development of children and youth and should be recognized as such. Your Committees feel that on-going programs providing for the display of student art is clearly in the public interest.

Your Committees on Education and Culture and the Arts concur with the intent and purpose of H.R. No. 470 and recommends its adoption.

Signed by all members of the Committees.

SCRep. 933-76 Judiciary on H.R. No. 455

The purpose of this resolution is to request the Department of Social Services and Housing to evaluate the feasibility of entering into a contract with the Habilitat, Inc. to operate the Hawaii Correctional Facility at Koolau, Oahu.

Your Committee has been informed of the work that the Habilitat has been doing in the area of rehabilitative therapy and the apparent success thereby achieved. It is logical that the success of private agencies should be examined and its applicability to government explored. H.R. No. 455 is the vehicle by which legislative permission is granted to the Director of the Department of Social Services and Housing to do just this.

Attention has been called to your Committee that there already exists a working relationship between the Department of Social Services and Housing and the Habilitat and that certain financial arrangements have been made in the past.

Your Committee has amended the resolution to not only request the Director of the Department of Social Services and Housing to evaluate the feasibility of contracting with the Habilitat to operate the Hawaii Youth Correctional Facility, but to describe the existing relationship between the department and the Habilitat.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 455, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 455, H.D. 1.

Signed by all members of the Committee except Representatives Kondo and Sutton.

SCRep. 934-76 Judiciary on H.R. No. 351

The purpose of this resolution is to request the Congress of the United States of America to enact legislation to compensate the aborigine or native Hawaiians, deemed entitled

thereto, for damages suffered by them as a result of the annexation of the Hawaiian Islands to the United States of America.

Your Committee finds that many aborigine or native Hawaiians were deprived of certain property or property rights upon the annexation of these islands by the United States of America and that such persons have not been recompensated.

Your Committee has amended this resolution to delete specific reference to the Great Mahele of 1848. References to the historical use of Hawaiian lands, the Hawaiian lifestyle, the disregard and disrespect for the Hawaiian heritage by the United States, and the people for whom the administering of Hawaiian lands historically was to benefit have been added to the new version of the resolution.

Your Committee has further amended this resolution by making several technical and style changes.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 351, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 351, H.D. 1.

Signed by all members of the Committee except Representative Sutton.

SCRep. 935-76          Judiciary on H.C.R. No. 57

The purpose of this resolution is to request the Congress of the United States of America to enact legislation to compensate the aborigine or native Hawaiians, deemed entitled thereto, for damages suffered by them as a result of the annexation of the Hawaiian islands to the United States of America.

Your Committee finds that many aborigine or native Hawaiians were deprived of certain property or property rights upon the annexation of these islands by the United States of America and that such persons have not been recompensated.

Your Committee has amended this resolution to delete reference to any specific group of aborigine or native Hawaiians or lands. Your Committee has also amended this resolution to delete specific references to the Great Mahele of 1848. References to the historical use of Hawaiian lands, the Hawaiian lifestyle, the disregard and disrespect for the Hawaiian heritage by the United States, and the people for whom the administering of Hawaiian lands historically was to benefit have been added to the new version of the resolution.

Your Committee has further amended this resolution by making several technical and style changes, including correcting a typographical error in the word "reparation" in the title.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 57 as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representative Sutton.

SCRep. 936-76          Higher Education on H.C.R. No. 99 (Majority)

The purpose of this concurrent resolution is to request the Legislative Auditor to undertake a study of tenure.

Your Committee held a public hearing; received testimony from the Vice-President of Academic Affairs; and finds as follows:

In recent years, your Committee is aware that academic tenure has been a highly controversial issue on college campuses across the nation. Current trends and important, new developments have motivated a re-examination of this academic tradition.

Originally, tenure was instituted to protect academic freedom by providing the needed guarantees for continuous employment. However, the recent establishment of collective bargaining rights for public employees raises questions as to the need for both union

negotiated contracts as well as tenure. Your Committee believes that the legislative auditor's study is needed to investigate whether current university grievance procedures and the constitutional rights of the First Amendment provide adequate protection of academic freedom. Furthermore, because such protection is granted to all faculty members, tenured or untenured, your Committee also requests that the study examine whether such protection is perhaps more equitable than the current limited scope of tenure.

Secondly, your Committee is aware that at present, approximately 78 percent of the faculty at Manoa is tenured with a few departments being filled completely by tenured faculty. Your Committee is concerned that such a high percentage of tenured faculty will act as a barrier to the infusion of new faculty talent including the affirmative action efforts of previously discriminated against groups such as women and ethnic minorities. In addition, a large, fixed percentage of tenured faculty will reduce the University administration's flexibility in making programmatic adjustments to maintain educational relevance, to test innovative program ideas, and to respond to the changing job market and economic conditions.

Thirdly, critics of tenure have charged that the lifetime security granted by tenure has resulted in stagnation and an accumulation of professors no longer interested in University purposes. The University, on the other hand, has stated that tenure acts as an important bargaining tool in attracting and recruiting highly qualified professors and will continue to serve this purpose as long as tenure remains the established tradition at universities across the country. In the interest of maintaining and fostering academic vitality and educational excellence at the University, your Committee believes that a review of tenure is necessary to determine the extent to which tenure assists in or detracts from furthering this goal.

In conclusion, your Committee strongly believes that a thorough review of tenure is necessary to answer the many significant questions raised concerning its present and future impact on the University of Hawaii. Hence, your Committee, with the support of the University administration, recommends that the legislative auditor conduct a study of tenure.

Your Committee has amended the resolution to more accurately reflect its intent.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 99, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 99, H.D. 1.

Signed by all members of the Committee.

Representative Abercrombie did not concur.

SCRep. 937-76      Judiciary and Youth and Elderly Affairs on H.C.R. No. 100

The purpose of this concurrent resolution is to request the Governor to create by executive order a Juvenile Justice Coordinating Council to be given the tasks provided for in the State Juvenile Justice Plan and under the States' Juvenile Justice and Delinquency Prevention Act of 1974.

Congress passed the above-mentioned Act, Public Law 93-415, to assist states with their programs for juvenile justice and delinquency prevention and placed its administration under the Law Enforcement Assistance Administration. This means that the Juvenile Justice Coordinating Council created by the Governor pursuant to this concurrent resolution will be responsible for local administration.

A requirement of the Juvenile Justice Act which must be met before funding is made available is that the state must create "an advisory group appointed by the chief executive of the State to advise the State Planning Agency and its supervisory board." The Act provides specific guidelines concerning the composition of this advisory group which are consonant with the provisions of this concurrent resolution.

Your Committees believe that the establishment of the Council provided for by this concurrent resolution will be an important step towards the efficient and comprehensive provision of services to children and youth.

Your Committees on Judiciary and Youth and Elderly Affairs are in accord with the intent and purpose of H.C.R. No. 100 and recommend that it be adopted.

Signed by all members of the Committees.

SCRep. 938-76      Judiciary and Youth and Elderly Affairs on H.R. No. 605

The purpose of this resolution is to request the Governor to create by executive order a Juvenile Justice Coordinating Council to be given the tasks provided for in the State Juvenile Justice Plan and under the States' Juvenile Justice and Delinquency Prevention Act of 1974.

Congress passed the above-mentioned Act, Public Law 93-415, to assist states with their programs for juvenile justice and delinquency prevention and placed its administration under the Law Enforcement Assistance Administration. This means that the Juvenile Justice Coordinating Council created by the Governor pursuant to this resolution will be responsible for local administration.

A requirement of the Juvenile Justice Act which must be met before funding is made available is that the state must create "an advisory group appointed by the chief executive of the State to advise the State Planning Agency and its supervisory board." The Act provides specific guidelines concerning the composition of this advisory group which are consonant with the provisions of this resolution.

Your Committees believe that the establishment of the Council provided for by this resolution will be an important step towards the efficient and comprehensive provision of services to children and youth.

Your Committees on Judiciary and Youth and Elderly Affairs are in accord with the intent and purpose of H.R. No. 605 and recommend that it be adopted.

Signed by all members of the Committees.

SCRep. 939-76      Judiciary on H.R. No. 556

The purpose of this resolution is to request the Chief Justice of the State Supreme Court and his administrative officers to conduct a study to determine if there is a need to assign a full-time District Court Judge to the Kona district who would also serve neighboring rural areas, and to report their findings to the Legislature twenty days before the convening of the Regular Session of 1977; and to request the Mayor of the County of Hawaii and the Prosecuting Attorney of the County of Hawaii to work with the State Judiciary to determine additional physical facilities, or personnel are needed in Kona.

Your Committee finds that the District of Kona, as well as the District of South Kohala, on the Island of Hawaii has experienced in the last decade a dramatic increase in caseload due to the dramatic economic and population growth in those areas, and its attendant problems.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 556 and recommends its adoption.

Signed by all members of the Committee except Representative Takamine.

SCRep. 940-76      Judiciary on H.R. No. 525

The purpose of this resolution is to request the City and County of Honolulu to establish a police sub-station at an appropriate site in the neighborhood of Ewa Beach, Oahu.

Your Committee finds that the isolation of Ewa Beach, Oahu, necessitates a greater timeliness and capacity for law enforcement than is presently available.

Your Committee has amended this resolution by specifying that the request for the establishment of a police sub-station be made to the City Council of the City and County of Honolulu. The title of the resolution has also been amended to reflect this change.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 525, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 525, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

## SCRep. 941-76      Judiciary on H.R. No. 526

The purpose of this resolution is to request the City and County of Honolulu to establish a police sub-station at an appropriate site in the neighborhood of Makakilo, Oahu.

Your Committee finds that the isolation of Makakilo, Oahu, necessitates a greater timeliness and capacity for law enforcement than is presently available.

Your Committee has amended this resolution by specifying that the request for the establishment of a police sub-station be made to the City Council of the City and County of Honolulu. The title of the resolution has also been amended to reflect this change.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 526, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 526, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

## SCRep. 942-76      Environmental Protection on H.R. No. 528

The purpose of this resolution is to express concern and encourage research on the possible adverse impact of the use of fluorocarbon compounds on the welfare and environment of Hawaii.

Your Committee finds that certain scientific studies indicate that fluorocarbon compounds, when discharged in the atmosphere, deplete the earth's ozone layer. The ozone layer provides protective screening from dangerous ultraviolet rays. Fluorocarbons are produced at a rate of about 2 billion pounds a year. The evidence to date is inconclusive and research is needed to prove or disprove the ozone depletion theory.

Your Committee finds that the Environmental Center at the University of Hawaii is already monitoring such research progress and has more complete access to research information. Therefore, your Committee has amended the resolution so that the Environmental Center, rather than the Department of Health, report on new research findings on the ozone depletion theory. Additionally, your Committee has amended H.R. No. 528 by correcting the spelling of "fluorocarbon" wherever it appears and deleted all reference to aerosol propellants and spray packages, and reference to the Governor and the Chairmen of the House Committees on Environmental Protection and Health.

Your Committee on Environmental Protection concurs with the intent and purpose of H.R. No. 528, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 528, H.D. 1.

Signed by all members of the Committee.

## SCRep. 943-76      Environmental Protection on S.C.R. No. 19

The purpose of this concurrent resolution is to request that the United States Environmental Protection Agency immediately cease actions pertaining to the proposed undersea storage of nuclear wastes until such time as the safety of the proposed storage plan is clearly proven.

Your Committee finds that safe underwater storage of nuclear wastes has not yet been demonstrated and as a result such storage may prove hazardous to the health and welfare of the people of Hawaii as well as sea life, ocean resources, and ultimately, all inhabitants of the world.

Your Committee on Environmental Protection concurs with the intent and purpose of S.C.R. No. 19, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 944-76      Public Assistance and Human Services on H.R. No. 50

The purpose of this resolution is to request the Department of Social Services and Housing to study the provisions of Act 145, and to determine what the effects of implement-

ing these provisions have been upon their clientele. A report of its findings shall be submitted to the Legislature prior to the convening of the Regular Session of 1977.

Act 145, a major reform measure enacted by the Legislature in 1975, required the institution of major changes in the State administration of public assistance, as a means of promoting greater efficiency and equity in the distribution of benefits. These changes included the institution of a flat grant system of payments, limitations on replacement of major appliances, and the single issuance of a deposit. Information as to whether these and other provisions of the Act are fulfilling their intended objectives, and a determination of their impact on the Department's clientele, is necessary for legislative review of Act 145 during the Regular Session of 1977.

The Department shares the Legislature's concern and fully concurs with the intent and substance of this resolution. A preliminary program and fiscal impact study was conducted by the Department in October, 1975, and its findings have been reported to the Legislature.

Your Committee recommends that the Resolution be amended to include that the Department solicit the input of the Welfare Recipients Advisory Council in carrying out the intent of this Resolution.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 50, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 50, H.D. 1.

Signed by all members of the Committee.

SCRep. 945-76      Housing on H.C.R. No. 110

The purpose of this concurrent resolution is to permit housing on the Vineyard Street Garage site, provided that the Department of Accounting and General Services finds such a development to be feasible.

In 1972, the Department of Accounting and General Services (DAGS) started to acquire lands in the Vineyard Street area to construct a parking garage as part of the Hawaii State Capitol Civic Center Master Plan.

In May of 1974, the residents of the area formed a non-profit corporation, the Old Vineyard Street Residents Association, Inc. (OVSRA, Inc.) and requested that they be allowed to utilize a portion of the Vineyard Street Garage site for the construction of housing. Subsequently, a request for a loan was submitted to the Hawaii Housing Authority and granted for \$20,000 in planning money authorized under the provisions of the Housing Development Fund (Act 25, SLH 1968) to prepare feasibility plans for a housing project. The residents given the opportunity to build their own housing would like to plan their own community so that they would be able to retain the elements of their present lifestyle.

The Department of Land and Natural Resources has the authority to lease the Vineyard Street land; however, before a lease may be conveyed the department has indicated that an expression of legislative endorsement, such as a concurrent resolution, will provide the department with sufficient direction to convey a lease to the Old Vineyard Street Residents Association.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 110 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 946-76      Labor and Public Employment on H.C.R. No. 47

The purpose of this concurrent resolution is to request the approval of the report of the results of the biennial review of the Compensation Plan of the State and Counties by the Conference of Personnel Directors and the Public Employees Compensation Appeals Board, including the costs of any adjustments effective July 1, 1976, in accordance with sections 77-4 and 77-5, Hawaii Revised Statutes.

The report of results and its attachments were submitted to the Legislature on January

21, 1976 through the Office of the Governor. The review of the Compensation Plan has been conducted since 1961, first on an annual basis and then on a biennial basis from 1963. In the reviews since 1971, changes in the Compensation Plan have generally been limited to minor technical adjustments in view of the history of periodic reviews. The 1975-76 review was characterized primarily by various changes as a result of the State's review of basic clerical classes which was amended following legislative requests to do so.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.C.R. No. 47, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 947-76 Energy and Transportation on H.R. No. 604

The purpose of this resolution is to request the Legislative Auditor to examine the road repair and resurfacing policies of the City and County of Honolulu.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 604 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 948-76 Higher Education and Health on H.R. No. 486

The purpose of this resolution is to request the University of Hawaii: 1) to expand on a statewide basis, the registered and licensed practical nurses training program and 2) to develop and implement a training program to accommodate working licensed practical nurses who desire additional training.

Your Committees received testimony from the Vice-President of Academic Affairs at the University of Hawaii and from a representative of the United Public Workers; and find as follows:

Your Committees are aware that numerous working licensed practical nurses have expressed the need and desire for additional training to improve their professional status and to assume greater roles in the total health care field. University and Community College class schedules, however, conflict with the work schedules of many of these nurses. The critical problem, then, is that many of these nurses cannot reach their goals because they cannot afford to leave their positions to enroll in existing associate in science degree programs.

Therefore, your Committees find that there is a need to provide qualified and motivated licensed practical nurses with viable career development opportunities.

Your Committees are aware that within the past few years, the University of Hawaii has begun new nursing programs on the islands of Kauai, Maui, and Hawaii to address shortages of nursing personnel in those communities. The University administration has testified that careful studies have been conducted of long-term community needs in approving the programs and projected enrollments and that close monitoring of these needs are being continued.

Your Committee has amended the resolution to acknowledge the University's efforts in this area. Rather than further expanding the nursing program on a statewide basis at this time, your Committees recommend that the University carefully monitor its progress in meeting existing nursing personnel shortages, especially on the neighbor islands, and act in response to its findings.

Your Committees on Higher Education and Health concur with the intent and purpose of H.R. No. 486, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 486, H.D. 1.

Signed by all members of the Committees except Representative Hakoda.

SCRep. 949-76 Energy and Transportation on H.R. No. 596

The purpose of this resolution is to request the director of the Department of Transporta-

tion Services of the City and County of Honolulu to implement plans for an express bus service from the Pearl City-Pearl Ridge area to the University of Hawaii.

Your Committee finds that it is imperative the plans for an express bus route be initiated for University of Hawaii students from the Pearl City-Pearl Ridge areas as an aid to alleviating traffic congestion by decreasing the number of cars on the highways.

Your Committee has amended this resolution by correcting a typographical error in line 1.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 596 and recommends its adoption in the form attached hereto as H.R. No. 596, H.D. 1.

Signed by all members of the Committee.

SCRep. 950-76 Consumer Protection and Commerce on S.B. No. 2348-76

The purpose of this bill is to allow any person to obtain a special permit to receive a shipment of liquor from outside the State either when the liquor is not otherwise available in the State, as an unsolicited gift, or as part of his household goods originally purchased for use outside the State.

Specifically, the bill accomplishes this purpose in the following respects:

1. The bill includes a provision authorizing receipt of gift shipments, but no more than 3.2 gallons in any one year.
2. The bill will allow any person to apply for permission to receive a shipment of not more than five gallons if he shows: (a) that the liquor is unavailable otherwise in the State, and (b) that the brand manufacturer would be willing to post prices pursuant to HRS 281-43 if channels for distribution in the State were available. The five-gallon limitation has been put on a yearly basis.
3. A person moving a liquor collection to this State would be generally subject to the same five-gallon limitation, but the Liquor Commission will have discretion to allow importation of a private collection of a larger quantity of wines or other beverages capable of aging, and originating from grapes and other fruits.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2348-76, 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 except Representative Hakoda.

SCRep. 951-76 Energy and Transportation on H.R. No. 626 (Majority)

The purpose of this resolution is to ask the department of transportation to suspend the issuance of new live aboard permits until July 1, 1976.

The conference committee on H.B. No. 1499, H.D. 1, S.D. 1 relating to small boat harbors has recommended that legislative action be taken as to the live aboard issue at Ala Wai and Keehi harbors. The conference draft limits the numbers of live aboard slips to 15% of the total available slips as of July 1, 1976. In view of this recommendation, your Committee finds it necessary that a moratorium be placed on the further issuance of new live aboard permits.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 626 and recommends its adoption.

Signed by all members of the Committee.

Representative Carroll did not concur.

SCRep. 952-76 Energy and Transportation on H.R. No. 623

The purpose of this resolution is to request the Speaker of the House to appoint an

interim committee to review the statewide airport systems plan including, but not limited to, the needs for expanding the general aviation program.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 623 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 953-76 Energy and Transportation on S.B. No. 28 (Majority)

The purpose of this bill is to extend the temporary 3.5 cent fuel tax increase for another year. The bill also enacts two new sections to provide for a \$1.00 state registration fee and a ten cent engine displacement tax to be levied on the owner of a vehicle for every 100 cubic inches of the vehicle's engine size.

Your Committee finds that additional revenues to the state highway fund are required to pay for the increasing costs of upkeep and maintaining the State Highway system and to pay for the cost of constructing highways incorporated in the system.

The department of transportation testified that the present system and rate of providing revenues for the funds do not meet required expenditures of the land transportation facilities and services program. Despite tautly administered austerity, the estimated operating deficit in the state highway fund without the 3.5 cent increase will be approximately \$17.1 million in the Fiscal Year 1977, \$21 million in Fiscal Year 1978, \$23 million in Fiscal Year 1979, and \$25 million in Fiscal Year 1980. With the 3.5 cent increase the adjusted deficit will be approximately \$6.7 million in Fiscal Year 1977, \$10.5 million in Fiscal Year 1978, \$12.4 million in Fiscal Year 1979, and \$14.3 million in Fiscal Year 1980. Your Committee finds that these projected deficits do not include costs for the construction of major transportation projects such as major portions of TH-3, the proposed state ferry and fixed guideway systems.

The operation and maintenance of the state's land transportation facilities, including debt service on bonds, are financed primarily by the state tax of 5 cents per gallon on motor fuel. Other sources of financing amounting to approximately \$150,000 per year include income from permit fees, rentals and proceeds from the disposal of unrequired remnants of land acquired for highway rights-of-way. Revenues to the State Highway Fund are estimated at approximately \$15.3 million for Fiscal Year 1980-81. About one-half of the total expenditures is debt service on reimbursable general obligation bonds issued for highway construction projects. This requirement alone for the six-year period will require 92 percent of estimated revenues.

Your Committee finds that a prime factor in bringing the state highway fund to its current situation is that costs of the program are all subject to inflation, whereas, fuel tax revenues are based on gallons consumed and not subject to price variations. Expenditures have increased approximately sixty-six percent.

Your Committee finds that the state highway fund faces a deficit and requires additional revenues or the necessary construction and maintenance of highway facilities will be adversely affected and the state debt ceiling exceeded. Your Committee also finds that the fuel tax, which for all intents and purposes is the sole source of revenue to the state highway fund, is grossly insufficient and the proposed extension of the 3.5 cent fuel increase is regressive and unfair to many who cannot afford these increases and who, because of our state's uniquely limited land area and land use patterns, do substantially less discretionary driving than their mainland counterparts and as a result have comparatively little opportunity to reduce their fuel consumption.

Your Committee finds that continued sole reliance on the fuel tax to provide funds for highways and highway related activities not only unfairly penalizes those with low incomes who, for a variety of justified reasons, must drive long distances, but fails to come to grips with the very real problems of a possible increase in the federal and county fuel taxes, the possibility of another oil embargo and the obvious conflict with our state's and nation's energy conservation policies, all or any of which would seriously affect the revenue producing capability of the state fuel tax by promoting or compelling a reduction in fuel consumption which in turn would result in reduced revenues for the state highway fund and necessitate a continuous increase in the price of fuel.

Rather than viewing the impending highway fund deficit as simply a revenue problem your Committee believes that a more comprehensive and long term solution must include the consideration of fuel conservation both as a goal and as it affects fuel tax revenues,

tax equity, and the relationship between the numbers and sizes of vehicles and our capacity and funding ability. In short, your Committee finds that it is imperative that the Legislature lay the foundation for alternate sources of revenue for the state highway fund which are compatible with our state's and nation's avowed policy of conserving energy.

Your Committee finds that the ten cent per 100 cubic inch engine displacement tax provided in S.B. 28, S.D. 2 sets the foundation for establishing an alternate source of revenue for the state highway fund which is not only compatible with energy conservation but is also more stable than the fuel tax. Your Committee finds that there is a direct relationship between engine displacement and fuel consumption. In this regard, your Committee finds that an engine displacement tax is a disincentive to excessive fuel consumption.

Testimony given at the public hearing on S.B. 28, S.D. 2, revealed various shortcomings of the bill. However, your Committee notes that the legislature may appropriately deal with these shortcomings in the next legislative session and that any such shortcomings are outweighed by the importance of the legislature's beginning an alternate source of funding the state highway fund in this legislative session.

Your Committee is in accord with the intent and purpose of S.B. 28, S.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee .

Representatives Blair, Kawakami and Kondo did not concur .

SCRep. 954-76      Water, Land Use, Development, and Hawaiian Homes on S.C.R.  
No. 8

The purpose of this Concurrent Resolution is to request the Policy Council to study the operation, impacts, and results of the Federal A-95 clearinghouse process and to recommend to the Legislature whether such a review mechanism would better facilitate the implementation of the State Plan.

Agency programs in the State are at times in direct conflict with specific policies. For example, although the preservation of agricultural land has been a widely supported state policy, actual agency programs have resulted in loss of fertile lands to urban uses. There are also occasions when programs within different agencies are not operating in support of the same policies and goals.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 8 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 955-76      Water, Land Use, Development, and Hawaiian Homes on  
S.C.R. No. 9

The purpose of this concurrent resolution is to request the Policy Council to review respective roles of state and county agencies in; land use planning and to recommend, in the context of the State Plan, appropriate institutional means to clarify the respective roles and ensure proper coordination between programs and goals, and to work cooperatively with the Government Reorganization Commission in this endeavor.

Decisions which affect the future of the State in numerous areas frequently involve actions on the part of several different government agencies. It is essential to coordinate the individual actions of these various agencies to ensure that these actions are in support of the broader Statewide goals.

Your Committee feels it necessary to specify means through which the programs and policies of various state and county organizations and agencies will be coordinated. One of the major functions of the Policy Council, working with the Reorganization Commission should be to review the roles of all state and county agencies in land use planning and to identify and delineate means by which agencies can coordinate individual actions in support of the broad goals of the State Plan.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs

with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 956-76      Water, Land Use, Development, and Hawaiian Homes on  
S.C.R. No. 10

The purpose of this concurrent resolution is to request the Policy Council to review the existing system of State land use classification and make recommendations for a classification system which will effectively support the recommended land use policies of the State Plan.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 10, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 957-76      Water, Land Use, Development, and Hawaiian Homes and  
Environmental Protection on H.R. No. 625

The purpose of this Resolution is to request the Department of Land and Natural Resources to expeditiously develop a management proposal for the adequate protection of Molokini's marine environment.

Also, to coordinate the development of the proposal with the Natural Area Reserves System Commission, Division of Fish and Game, and any interested member of the public.

Your Committees on Water, Land Use, Development, and Hawaiian Homes and Environmental Protection concur with the intent and purpose of H.R. No. 625 and recommend its adoption.

Signed by all members of the Committees except Representatives Morioka and Hakoda.

SCRep. 958-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 120

The purpose of this resolution is to request that a study be conducted by the Department of Land and Natural Resources concerning the feasibility of opening the Upper Hamakua Valley Ditch, including an estimation of the costs and problems involved.

Your Committee finds that ranchers and independent diversified farmers in the Hamakua area have suffered economic losses due to drought conditions in the area. The re-opening of the ditch will make low-cost water available in the Hamakua area during droughts.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 120 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 959-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 603

The purpose of this Resolution is to request the Department of Land and Natural Resources to examine the feasibility of the 6 1/2 acre parcel fronting the Pearl I, Pearl II and Highlander condominiums as a neighborhood park site.

Your Committee has amended this Resolution to include sending copies of this Resolution to Mayor Frank Fasi and the County Council Chairman of the City and County of Honolulu.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 603, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 603, H.D. 1.

Signed by all members of the Committee except Representative Morioka.

SCRep. 960-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 471

The purpose of this Resolution is to request the City and County of Honolulu to construct and develop an ocean recreation complex at Pokai Bay as the next project in its master plan for water recreation.

Ocean recreation centers serve as training facilities for instructors, volunteers and community leaders in ocean and other water recreation safety activities as logistic bases for the storage of special water equipment, and as specialized centers which would take advantage of unique geographic or man-made features that lend themselves to specific water activities such as boating, skin-diving or fishing.

Your Committee feels that Pokai Bay is an ideal location for such an ocean recreation center which could serve the surrounding communities of Waianae, Nanakuli, Maile, and Makaha.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 471 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 961-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 554

The purpose of this Resolution is to request the Department of Planning and Economic Development to study the feasibility of employing the various forms of lava in such building materials as brick, tile block, facing and paving components, including evaluations of the economic feasibility of such endeavors.

Lava is laden with great potential in the building materials field. The continuing high costs of importing building materials make it urgent that Hawaii consider the economic feasibility of using our own raw materials.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 554 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 962-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 488

The purpose of this Resolution is to request the Governor of the State of Hawaii and the Mayor of the City and County of Honolulu to instruct the heads of their respective agencies responsible for flood prevention and control to work cooperatively with all other agencies on physical projects, and assistance, and insurance programs for the Waianae and North Shore areas, to ensure that future floods are minimized, with such damages as occur compensated for through insurance, loans, grants, or emergency assistance.

A great deal of information is now at the disposal of agencies of all three levels of government such that future floods should not create havoc along the North Shore, in Waianae, on Kauai, or any other flood prone area in the State as experienced by those areas last February.

The cooperation of State, County and Federal agencies is required to alleviate or eliminate the flood problems, injuries or loss of life and property or crop damage.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 488 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 963-76      Water, Land Use, Development, and Hawaiian Homes on  
H.R. No. 617

The purpose of this Resolution is to request that the Governor appoint a special committee to conduct an in-depth and detailed study of the Milolii-Hoopuloa land tenure problem.

Your Committee finds that the problem of land use right of the Milolii-Hoopuloa area has gone unresolved for a period of 50 years; that the concerns of the people directly affected and the concerns of the State have not been adequately represented. It is felt that a just and equitable solution, is now long overdue and that the best means to finally resolve the problem can best be done through the in-depth study requested in this resolution.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. 617, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 617, H.D. 1.

Signed by all members of the Committee except Representative Morioka.

SCRep. 964-76      Finance on H.R. No. 520

The purpose of this resolution is to request the University of Hawaii to: 1) continue funding for community service and research programs during the 1976-77 school year, and 2) to conduct a thorough and comprehensive review of these programs including a) a description of each program, b) a description of the University's involvement and c) the University's position as to the proper expending agency for each program.

Your Committee finds that community service and research programs currently administered by the University of Hawaii provide valuable services in a wide range of areas. While recognizing their value, the University of Hawaii administration has suggested that appropriations for these programs should be more properly directed to State agencies which would in turn contract with the University.

The Legislature, on the other hand, finds that many of these programs do in fact serve a University related purpose.

Therefore, your Committee requests that the University conduct a comprehensive review of its community service and research programs. Such a review will assist the University and the Legislature in: 1) gaining clearer definitions and understandings of University responsibilities regarding community service and 2) in defining priorities among existing and emerging programs.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 520, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 965-76      Finance on H.C.R. No. 109

The purpose of this concurrent resolution is to request the Governor in cooperation with the Mayors of the several counties to evaluate each of the major proposals of the Arthur Young study and recommend a course of action.

Your Committee finds that the Arthur Young study includes a series of recommendations proposing significant conceptual changes to the division of transportation responsibilities and funding as between the State and County governments in Hawaii, and substantial changes in existing statutory provisions and administrative practices.

Your Committee further finds that additional Executive Branch review of the proposals made in the Arthur Young study appears appropriate before any legislative action is taken.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 109 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 966-76 Finance on H.C.R. No. 115

The purpose of this Resolution is to request the Departments of Taxation and Regulatory Agencies to conduct an in-depth study of the taxation of insurance solicitors, sub-agents, and general agents under the general excise tax law and to consider the impact of eliminating the tax on the commissions of such insurance persons.

Your Committee supports the view that inequitable taxes should be eliminated, but only after careful determination of the persons being affected and the impact of eliminating such taxes upon those persons and the State.

The report of findings pursuant to this Resolution is to be submitted to 1977 Legislature, 20 days before it convenes.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 115 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 967-76 Finance on H.R. No. 600

The purpose of this Resolution is to request the Departments of Taxation and Regulatory Agencies to conduct an in-depth study of the taxation of insurance solicitors, sub-agents, and general agents under the general excise tax law and to consider the impact of eliminating the tax on the commissions of such insurance persons.

Your Committee supports the view that inequitable taxes should be eliminated, but only after careful determination of the persons being affected and the impact of eliminating such taxes upon those persons and the State.

The report of findings pursuant to this Resolution is to be submitted to 1977 Legislature, 20 days before it convenes.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 600 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 968-76 Finance on S.C.R. No. 93

The purpose of this resolution is to obtain for the patient residents of Kalaupapa the assurance that they will be permitted to remain at the Settlement for as long as they may choose by establishing a State policy to this effect and requesting the Department of Health to evaluate the current level of health and other services provided the patients and submit a report to the 1977 session.

Over the years, the Kalaupapa Settlement has become a true home for many leprosy patients. Statistics reveal that of all patients eligible for release from Kalaupapa, only five per cent have elected to return to the outside community.

The Department of Health is sympathetic to the wishes of the patient residents of Kalaupapa and is proceeding with plans to design and build a facility designed to meet skilled nursing facility standards which would be adequate to meet the needs of those patients requiring extra care. Such a facility would make it unnecessary to transfer patients to another facility for care and treatment except in the most serious cases.

The purpose of this concurrent resolution is similar to that of House concurrent resolution No. 98 which was reported out by your Committee on Health under House Standing Committee Report and referred to this Committee.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 93 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 969-76 Finance on H.R. No. 552

The purpose of this resolution is to request the Department of Land and Natural Resources and the Department of Transportation to submit a report on the results of their actions taken regarding control of public lands associated with harbor operations of the Department of Transportation and the disposition of revenues derived from such public lands.

Your Committee finds that the recent management audit of the recreational boating program conducted by the Office of the Legislative Auditor indicates that considerable confusion and a serious lack of effective coordination exists between the Department of Transportation and the State Department of Land and Natural Resources.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 552 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 970-76 Finance on H.C.R. No. 108

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources and the Department of Transportation to submit a report on the results of their actions taken regarding control of public lands associated with harbor operations of the Department of Transportation and the disposition of revenues derived from such public lands.

Your Committee finds that the recent management audit of the recreational boating program conducted by the Office of the Legislative Auditor indicates that considerable confusion exists between the Department of Transportation and the State Department of Land and Natural Resources.

Your Committee on Finance concurs with the intent and purpose of H.C. R. 108 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 971-76 Public Assistance and Human Services and Labor and Public Employment on H.R. No. 66

The purpose of this resolution is to request that the Commission on Manpower and Full Employment and the State Manpower Services Council reassess the current manpower services delivery system, giving special attention to the improvement of coordination, the establishment of program linkages, and the elimination of duplication between state and county agencies and between state agencies.

Your Committees have long been interested in the development of a strong systematic approach to coordinate the training and employment programs in the public sector. Recognizing this legislative concern, the State Commission on Manpower and Full Employment and the State Manpower Services Council issued a joint 1975 Annual Report to the Governor, which contains an exhaustive inventory of employment related services offered by county and state agencies. The report also indicates that there is further need to study the state's manpower delivery system with special attention to the duplication of services and training and the present administration of CETA manpower programs.

Your Committees believe that the continued monitoring and study by these two bodies, and a report to the 1977 Legislature will contribute substantially to the eventual realization of a strong statewide manpower delivery system.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purposes of H.R. No. 66 and recommend its adoption.

Signed by all members of the Committees.

## SCRep. 972-76 Labor and Public Employment on S.C.R. No. 59

The purpose of this concurrent resolution is to request the Congress of the United States to cancel the indebtedness of the states to the federal account in the unemployment compensation trust fund for advances to pay unemployment benefits.

Your Committee finds that Hawaii's unemployment insurance rate schedules were designed to cope with a recession of not more than 18 months' duration. This rate schedule has proved to be inadequate to maintain the solvency of the Trust Fund during the present economic recession, which has continued for five years. Although the emergency flat contribution rate of 3.0 percent went into effect in April 1975, the Trust Fund balance continued to decline, and was depleted in February 1976. By the end of April 1976, Hawaii will have borrowed a total of \$19 million from the federal account in the Federal Unemployment Trust Fund in order to subsidize benefit payments.

The current economic recession is expected to continue with unemployment not diminishing to a manageable level until the 1980's. Under these conditions, benefit payments and, therefore, employers' contribution rates will remain high and will undoubtedly increase beyond current levels.

Your Committee believes that this concurrent resolution will relieve the burden of the states to the federal account in the unemployment compensation trust fund during an already difficult period.

Your Committee further believes that certified copies of this concurrent resolution be transmitted not only to Hawaii's Congressional delegation but to the Congressional candidates as well. This is being requested to further discussion on the present unemployment situation and the issue of Trust Fund solvency before the public during the campaign period.

Your Committee on Labor and Public Employment concurs with the intent and purpose of S.C.R. No. 59 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 973-76 Labor and Public Employment on H.R. No. 175

The purpose of this resolution is to request the State and County Directors of Personnel Services to conduct a comprehensive study and review and comparative analysis of qualifications, compensation, duties, risks, functions, and other factors relevant to personnel employed in any public safety or security position by the state or county governments.

Your Committee finds that such a study and review of all public safety employees--as a means of adjusting any seeming inequities in the "equal pay for equal work" concept in Act 188, SLH 1961--is justifiable and meritorious. But based on the constraints of time and money, that it would take approximately one year within the normal workload of the department and a cost between 50 to 75 thousand dollars to adequately complete the study and review, your Committee feels that a modified, less encompassing study should be the alternative.

Your Committee has amended the resolution by limiting the study of public safety and security personnel to adult corrections officers only and requesting only a review and advocacy of a position for next year. The review is to be conducted cooperatively by the State Department of Personnel Services and Department of Social Services and Housing.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.R. No. 175, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representative Kamalii.

## SCRep. 974-76 Labor and Public Employment on H.R. No. 465

The purpose of this resolution is to urge all employers, especially those within Hawaii's building and construction industry, to prevent the availability of moonlight job opportuni-

ties and to generate full-time jobs and full employment.

While there may be the economic necessity of moonlighting in many households in order to maintain a desirable standard of living, your Committee supports the viewpoints expressed in testimonies that moonlighting is self-defeating. It contributes to the high unemployment rate in the community and creates personal health and safety problems for the employee, among other problems.

Your Committee has amended the resolution to involve the unions as well as all employers in efforts to curtail moonlighting and promote full employment.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.R. No. 465, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 465, H.D. 1.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 975-76      Labor and Public Employment on H.R. No. 269

The purpose of this resolution is to request that the Governor of Hawaii assign the appropriate department and agency heads of State government to work together with the appropriate federal agency representatives, and designated union representatives to immediately assess, to formulate and implement an action program on the issue of qualifying Hawaii residents for available and projected federal jobs, and to report its findings, the program formulated, and program progress to the Legislature prior to the convening of the 1977 legislative session.

Your Committee finds that it has been historically difficult for Hawaii residents to qualify for employment at the Pearl Harbor Naval Shipyard because of their inability to qualify in terms of training and work experience, and that the Pearl Harbor Naval Shipyard is presently understaffed by 400 civilian workers per day. This is at a time when there are approximately 30,400 unemployed persons in the State.

Your Committee further finds that an Action Program in the area of qualifying more Hawaii residents for job opportunities in Pearl Harbor Naval Shipyard and throughout the federal sector in Hawaii is a positive approach in dealing with our current level of unemployment.

Your Committee has amended this resolution to include the Pearl Harbor Association as a participant in the development of an action program, and that they as well as the Department of Planning and Economic Development receive certified copies of this resolution.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.R. No. 269, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 269, H.D. 1.

Signed by all members of the Committee.

SCRep. 976-76      Labor and Public Employment on H.R. No. 588

The purpose of this resolution is to request the Department of Labor and Industrial Relations, in conjunction with the Attorney General, to review the State Fair Employment Practices Act to ensure that it encompasses the state nondiscrimination policy, that they study the feasibility of authorizing the Department of Labor and Industrial Relations to process class actions on behalf of employees alleging discrimination under this section empowering the Department of Labor and Industrial Relations to conduct affirmative action compliance reviews of construction and non-construction public contractors, and that the Department of Labor and Industrial Relations report its findings and recommendations for legislation to the Legislature 20 days prior to the convening of the Regular Session of 1977.

Your Committee finds that it is necessary to protect and safeguard the rights and opportunities of all persons to seek, obtain, and hold employment. Further, it is necessary to meet the nondiscrimination and affirmative action requirements of state and federal laws and policies pertaining to race, religion, color, national origin, sex, age or other prohibited discrimination, and to protect employers, labor organizations, and employment

agencies from unfounded charges of discrimination.

Your Committee has amended this resolution so that the House Committee on Labor and Public Employment is requested, with the input of the Department of Labor and Industrial Relations and the Attorney General, to review the State Fair Employment Practices Act to ensure that it encompasses the state nondiscrimination policy, that it study the feasibility of authorizing the Department of Labor and Industrial Relations to process class actions on behalf of employees alleging discrimination under this section and empowering the Department of Labor and Industrial Relations to conduct affirmative action compliance reviews of construction and nonconstruction public contractors, and that the Committee on Labor and Public Employment report its findings and recommendations for legislation to the Legislature 20 days prior to the convening of the Regular Session of 1977.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.R. No. 588, as amended herein, and recommends its adoption in form attached hereto as H.R. No. 588, H.D. 1.

Signed by all members of the Committee.

SCRep. 977-76      Labor and Public Employment on H.R. No. 591

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint an interim committee to investigate the implementation of the State's employment security law.

Your Committee finds that the complexity of the employment security law which establishes Hawaii's unemployment insurance program requires an incremental investigative approach by the State policymakers and administrators. During the 1975 interim period, legislative hearing were conducted on the solvency of the unemployment trust fund. This was followed by the passage of certain amendments to the law relating to worker benefit provisions and the solvency of the trust fund during the 1975 regular session.

Your Committee believes that it is necessary to review the implementation of the law by the Department of Labor and Industrial Relations, including but not limited to the monitoring of the recent amendments, during the 1976 interim period.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.R. No. 591 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 978-76      Labor and Public Employment on H.R. No. 371

The purpose of this resolution is to request the House Committee on Labor and Public Employment to review the civil service system, particularly with respect to the policy regarding exemption of public employees from its coverage, to ascertain the efficacy and continued desirability of the civil service system as it presently exists.

Your Committee finds that the state civil service system was designed for the purpose of providing a universal, standardized framework for public employment, based on the concepts of merit and equality of opportunity. It further finds that when the collective bargaining law was enacted, other statutory laws should have been amended but were not. Consequently, a careful review of the civil service laws and the effects of various other recently passed laws should be reviewed in relation to each other so that those covered by provisions of collectively bargained contracts and no longer necessary may be eliminated or amended as deemed necessary.

Your Committee has amended this resolution to clarify that the examination of the civil service system will include a review of all aspects related to it, including the examination of the effects of the collective bargaining law, the study of fringe benefits for public employees, and the review of classification and compensation for public employees. Provisions are also made for the review by the Committee of the latest studies on this subject, including that prepared by the Department of Personnel Services.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.R. No. 371, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 371, H.D. 1.

Signed by all members of the Committee except Representatives Segawa and Fong.

SCRep. 979-76          Tourism on H.R. No. 567

The purpose of this resolution is to request the Hawaii Visitors Bureau and the neighbor island tourism promotional organizations to develop a joint plan for the promotion of tourism in the Hawaiian islands.

Your Committee finds it desirable for a coordinated overall tourism promotional plan be devised in order to insure the most effective use of funds since the Hawaii Visitors Bureau and the various neighbor island promotional organizations are currently receiving contributions from the public sector.

Your Committee further recognizes the need for an effective overall tourism promotional plan because of increased competition from other tourist destination areas seeking to attract visitor dollars. This competition could have a potentially negative impact on the economic contribution of the tourist industry in Hawaii.

Due to the duplicating and overlapping of tourism promotional efforts by the Hawaii Visitors Bureau and the neighbor island promotional organizations, we feel a coordinated tourism promotional plan would better identify and delineate specific responsibilities.

Your Committee requests that the Hawaii Visitors Bureau and the neighbor island promotional organizations meet as soon as possible in order to devise the recommended plan. The resolution was not amended in order to offer the parties flexibility in meeting and working on the specifics of the plan.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 567 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 980-76          Finance on S.B. No. 28 (Majority)

The purpose of this bill is to extend the temporary 3.5 cent fuel tax increase for another year. The bill also enacts two new sections to provide for a \$1.00 State registration fee and a ten cent engine displacement tax to be levied on the owner of a vehicle for every 100 cubic inches of the vehicle's engine size.

Additional revenues to the State highway fund are required to pay for the increasing costs of upkeep and maintaining the State highway system and to pay for the cost of constructing highways incorporated in the system.

The present system and rate of providing revenues for the funds do not meet required expenditures of the land transportation facilities and services program. The estimated operating deficit in the state highway fund without the 3.5 cent increase will be approximately \$17.1 million in the Fiscal Year 1977, \$21 million in Fiscal Year 1978, \$23 million in Fiscal Year 1979, and \$25 million in Fiscal Year 1980. With the 3.5 cent increase, the department of transportation believes that the adjusted deficit will be approximately \$6.7 million in Fiscal Year 1977, \$10.5 million in Fiscal Year 1978, \$12.4 million in Fiscal Year 1979, and \$14.3 million in Fiscal Year 1980. Your Committee finds that these projected deficits do not include costs for the construction of major transportation projects such as major portions of TH-3, the proposed State ferry and fixed guideway systems.

Continued sole reliance on the fuel tax to provide funds for highways and highway related activities not only unfairly penalizes those with low incomes who, for a variety of justified reasons, must drive long distances, but fails to come to grips with the very real problems of a possible increase in the federal and county fuel taxes, the possibility of another oil embargo and the obvious conflict with our State's and nation's energy conservation policies, all or any of which would seriously affect the revenue producing capability of the State fuel tax by promoting or compelling a reduction in fuel consumption which in turn would result in reduced revenues for the State highway fund and necessitate a continuous increase in the price of fuel.

Rather than viewing the impending highway fund deficit as simply a revenue problem, a more comprehensive and long term solution must include (1) the consideration of

fuel conservation both as a goal and as it affects fuel tax revenues, tax equity, and the relationship between the numbers and sizes of vehicles, (2) our capacity and funding ability, and (3) an examination of the management and operations of the highways division. In short, it is imperative that the Legislature lay the foundation for alternate sources of revenue for the State highway fund which are compatible with our State's and Nation's avowed policy of conserving energy.

The ten cent 100 cubic inch engine displacement tax provided in this bill sets the foundation for establishing an alternate source of revenue for the State highway fund which is not only compatible with energy conservation but is also more stable than the fuel tax. There is a direct relationship between engine displacement and fuel consumption. In this regard, an engine displacement tax is a disincentive to excessive fuel consumption.

House Standing Committee Report No. 953-76 indicated that testimony given at the public hearing of this bill revealed various shortcomings of the bill. However, the Legislature may appropriately deal with these shortcomings in the next legislative session and that any such shortcomings are outweighed by the importance of the Legislature's beginning an alternate source of funding the State highway fund in this legislative session.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 28, S.D. 2 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Morioka and Hakoda.

Representatives Kondo, Amaral and Kamalii did not concur.

SCRep. 981-76      Judiciary on S.B. No. 1301 (Majority)

The purpose of this bill is to prohibit the use of ammunition that would needlessly aggravate or wound, such as "dum-dum bullets", bullets filled with glass, scored bullets, or bullets with filed off ends.

Your Committee concurs that the use of the above-mentioned types of ammunition is highly dangerous and cruel and serves no useful purpose whatsoever, even if used by law enforcement officials.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1301, 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.

Representatives Carroll and Sutton did not concur.

SCRep. 982-76      Finance on S.B. No. 2909-76

The purpose of this Act is to provide for historic preservation, enabling the State to take a strong leadership position in protecting its own historic properties. The State would reserve the right of ownership and control of historic property located on lands or under waters owned or controlled by the State. New finds of historic places would be reported to the Department of Land and Natural Resources by other government agencies to allow for investigation and recording, preservation or salvage.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2909-76, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 983-76      Finance on S.B. No. 2819-76

The purpose of this bill is to delete the statutory requirement to establish a compensation plan for professional and technical employees (Category B) of the Hawaii Public Broadcasting Authority who are exempted from the coverage of chapters 76 and 77.

On February 11, 1976, a report concerning a compensation plan for Category B employees was submitted by the Director of Personnel Services to the Legislature for its information and consideration. This report recommended not establishing any compensation plan through legislation due to the small number of employees (6) who are determined to be exempted from coverages of chapters 76 and 77. It is more practical to administer employment of this nature under annual personal services contract than to establish a compensation plan. Establishment of a compensation plan by statutes would create a system which would be cumbersome, inflexible, inefficient, and out of mode with collective bargaining.

This bill would take the employees of Hawaii Public Television off the University of Hawaii's APT salary schedule, and instead provide compensation in accordance with annual employment contracts.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2819-76 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Morioka and Hakoda.

SCRep. 984-76          Finance on H.C.R. No. 104

The purpose of this concurrent resolution is to request the Governor of the State of Hawaii to release funds for the continuation of summer session at the community colleges of the University of Hawaii system during 1976.

Early this year, the University decided to discontinue summer session programs at the community colleges for the upcoming summer. Two major factors motivated this decision. First, pursuant to Act 131, Session Laws of Hawaii 1975, which created a special fund for certain programs at the community colleges including summer session, the University determined that a complete review of summer session program funding was necessary at this time. Until a definitive policy is established, the University felt summer session should not be held. Secondly, the University has stated that tight fiscal constraints have affected the level of funding available for summer session purposes at the community colleges.

These reasons appear inadequate to justify the discontinuance of a program that has been an ongoing service to our community colleges.

Your Committee has noted the findings expressed in House Standing Committee Report No. 930-76 and agrees therewith.

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

Signed by all members of the Committee except Representatives Morioka and Hakoda.

SCRep. 985-76          Public Assistance and Human Services on H.C.R. No. 117

The purpose of this resolution is to request the Legislative Auditor to study the extent of provider fraud in the State medicaid assistance program and to make recommendations addressed to the access of uncovered fraud without affecting the availability and quality of care and services provided to recipients.

Your Committee believes that the increase in costs for medicaid and medical assistance programs in the State has had a significant impact on the State budget. Further, your Committee feels that the recipients of the medicaid and medical assistance programs are and will be adversely affected by unperformed, unnecessary or badly performed care and services resulting from provider fraud.

Your Committee has amended the title to correct a grammatical error.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.C.R. No. 117, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 117, H.D. 1.

Signed by all members of the Committee.

SCRep. 986-76 Education on H.R. No. 492 (Majority)

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study investigating the impact of a free school lunch program and the implications in terms of federal funding. The Legislative Reference Bureau is requested to submit a report of its findings to the Legislature twenty days prior to the convening of the 1977 legislative session.

Testimony by the Department of Education, in favor of the resolution, raises a number of problems for consideration. Statistics, presented by the Department, indicate that the State school lunch subsidy will approximate \$4.6 million for the current year '75-'76. This sum, the Department maintains, represents the minimum level of increased State general funding that would be necessary to provide all students a lunch without charge.

Departmental testimony also indicates that, during the current school year, the State will receive approximately \$2.9 million in federal funds for free lunches served to students who qualify due to family income criteria. Federal guidelines require that applications for students who qualify be on file at the school. Accurate fiscal accounting on a daily basis is also required.

The Department maintains that with present federal school lunch regulations, a free lunch program for all students would, in effect, discriminate against lower income families. These families would be required to make applications for federal school lunch subsidies while higher income families would not. Thus, the feasibility of an "all free" lunch program would be contingent upon changes in federal regulations which would permit determination of the number of students who qualify for federal aid on a basis other than verifiable applications and daily count.

Your Committee concurs with the intent and purpose of H.R. No. 492 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

Representatives Amaral, Evans, Ikeda and Sutton did not concur.

SCRep. 987-76 Public Assistance and Human Services on H.R. No. 614

The purpose of this resolution is to request the Legislative Auditor to study the extent of provider fraud in the State medicaid assistance program and to make recommendations addressed to the access of uncovered fraud without affecting the availability and quality of care and services provided to recipients.

Your Committee believes that the increase in costs for medicaid and medical assistance programs in the State has had a significant impact on the State budget. Further, your Committee feels that the recipients of the medicaid and medical assistance programs are and will be adversely affected by unperformed, unnecessary or badly performed care and services resulting from provider fraud.

Your Committee has amended the title to correct a grammatical error.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 614, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. 614, H.D. 1.

Signed by all members of the Committee.

SCRep. 988-76 Finance on S.B. No. 1850-76

The purpose of this bill is to correct a technical defect in section 235-1, Hawaii Revised Statutes.

Your Committee finds that Act 217, Session Laws of Hawaii 1973, inadvertently omitted the definition concerning in-state and out-of-state sources of income in section 235-1, Hawaii Revised Statutes. This bill restores the definition with a slight modification.

Without this bill, there may be controversy in interpreting other sections of chapter 235.

Your Committee reported out the companion bill, H.B. No. 2237-76 under House Standing Committee Report 30-76.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1850-76 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 Hakoda.

SCRep. 989-76          Finance on S.B. No. 2715-76

The purpose of this bill is to convert all full-time exempt positions of the Stadium Authority to civil service status with the exception of the manager, deputy manager, and persons hired on contract or as otherwise provided in section 109-3, Hawaii Revised Statutes, and to provide that the present employees converted to a civil service status shall revive at least their present pay rate.

Under the existing law, employees of the Stadium Authority are exempt from the provisions of chapters 76 and 77. It was intended, in granting the exemption, to render the Authority the flexibility to quickly formulate an effective working staff in its formative phase of operation. Since the completion of the stadium, they have a full complement of employees and these employees should have the same rights and benefits as other employees of the State.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2715-76, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 990-76          Water, Land Use, Development, and Hawaiian Homes  
on H.R. No. 118

The purpose of this Resolution is to warmly endorse present negotiations between the State of Hawaii and the Mokauea Fishermen's Association for a "live-in arrangement" as proposed by the Governor for the preservation of the Mokauea fishing community.

The Mokauea Island fishing community in Keehi Lagoon is the last of its kind on Oahu and one of only two left in Hawaii. Your Committee feels that a "live-in" arrangement for the Mokauea Fishermen's Association as suggested by the Governor is feasible provided that the Association and individual members of the Mokauea community agree to hold harmless the State of Hawaii for any inconvenience due to noise from aircraft operations at the nearby Honolulu International Airport under State and Federal Aviation Administration jurisdiction.

The Resolution has been amended by deleting the first BE IT FURTHER RESOLVED clause in its entirety.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 118, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 118, H.D. 1.

Signed by all members of the Committee.

SCRep. 991-76          Public Assistance and Human Services on H.R. No. 557

The purpose of this resolution is to request the Department of Social Services and Housing to amend the State's Comprehensive Annual Service Program Plan by raising the income eligibility level for receipt of child care services from 60% to 79% of the State's median family income, and to consider establishing a sliding fee schedule for payment by those whose gross incomes fall between 80% and 115% of median family income. The Department shall report to the Legislature, the status of these proposed amendments, their implementation, or any plans for implementation; prior to the convening of the

Regular Session of 1977.

The State's Comprehensive Annual Service Program Plan serves as the program implementation and expenditure guide for Hawaii's social service programs which are geared toward enabling individuals, families and children restore, maintain and enhance their capabilities for economic self-support, self-care, and independent living. These programs receive partial Title XX funding for services rendered in accord with the Plan; and include such services as family planning, adoption, child care, housekeeping, and employment and training. The Plan establishes both categorical and income eligibility requirements for program participation. Categories of individuals to be served include the recipients of cash benefits under the aid-to-families with dependent children and supplemental security income programs, and those individuals and families who meet the income eligibility criteria currently set at 60% of the State's median family income (1975-Median Family Income - \$15,688 for a family of four).

Your Committee finds that with respect to child day care services, the current income eligibility criteria does not promote the achievement of both the specific service objectives and the broader program goals delineated in the Plan. Rather than promoting economic self-support and enabling employment, the stringent criteria may be a disincentive to obtaining and maintaining a job. Presently, a child becomes ineligible for services when his parents' gross incomes exceeds the 60% level, irregardless of the amount in excess. Often times, this amount is not enough to purchase day care or babysitter services and the parent must terminate employment in order to care for his child. For many families presently eligible for receipt of services, this usually means reverting to public assistance. Your Committee finds the implementation of the higher income eligibility standard, coupled with the institution of a sliding fee schedule, necessary steps toward alleviation of this situation.

The Department of Social Services and Housing agrees with the intent of this resolution, and is presently revising the income eligibility criteria for child care services, to become effective May, 1976. A study of fees for services, and their possible application to Title XX social services programs will be undertaken in the near future.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 557 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 992-76      Public Assistance and Human Services and Consumer Protection  
and Commerce on H.R. No. 582

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint a special interim committee comprised of members from the Committees on Public Assistance and Human Services and Consumer Protection and Commerce, to review the current provision of motor vehicle insurance for public assistance recipients, and to evaluate alternatives to the present system. The Committee shall report to the Legislature its findings, with accompanying recommendations, prior to the convening of the Regular Session of 1977.

The Motor Vehicle Insurance Commissioner reported that as of August, 1975, 8,225 vehicles owned and operated by public assistance recipients were insured pursuant to Chapter 294, Hawaii Revised Statutes, via the Joint Underwriting Plan, at no cost to recipients. The cost of these policies, amounting to \$1,783,776 in premiums, was to have been subsidized by other subscribers to the Joint Underwriting Plan. However, the actual number of paying subscribers fell far below the anticipated number, and hence, the amount in premiums necessary to pay for coverage of public assistance recipients failed to materialize. Consequently, members of the Joint Underwriting Plan have been burdened with the cost of recipients' policies and benefits, and they in turn, have passed it on to the motoring public via higher insurance premiums. In view of these circumstances, the current system of providing insurance coverage for public assistance recipients must be reviewed, and alternatives given thorough examination.

Your Committees recommend that in addition to soliciting the input of representatives from the Department of Social Services and Housing, the Motor Vehicle Division of the Department of Regulatory Agencies, and the insurance industry, the interim committee make a special effort to include the views and recommendations of representatives from the Welfare Recipients Advisory Council. The resolution has been amended accordingly.

Your Committees on Public Assistance and Human Services and Consumer Protection and Commerce concur with the intent and purpose of H.R. No. 582, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 582, H.D. 1.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 993-76      Public Assistance and Human Services and Labor and Public Employment on H.R. No. 68

The purpose of this resolution is to request the Department of Social Services and Housing to clarify certain aspects of its general assistance program policies, particularly standards and procedures relating to the temporary labor force, work seeking requirements, and standards relating to medical exceptions to work requirements.

The legislature has long sought improvements to general assistance policies so that aid can be given to only those persons who are truly in need. During the 1975 interim, your Committee on Public Assistance and Human Services met with the Department of Social Services and Housing's Public Welfare Division staff to solicit comments on the effectiveness of the general assistance program. These discussions were extremely helpful in identifying deficiencies in current policies and procedures and have been described in Special Committee Report No. 20, filed with the House of Representatives, State of Hawaii, on April 14, 1976.

At the 1976 legislative session, the Department testified that necessary action has been initiated in response to the deficiencies identified during the 1975 interim to clarify its general assistance policy. For example, the Department explained that psychiatric reports substantiating a recipient's medical condition are now required to undergo a Board review. Similar reviews are being contemplated by the Department for physical incapacities.

Improvements and clarification to the above cited procedures relating to the general assistance program will be extremely helpful to the 1977 State legislature's review of the Department's general assistance biennium appropriation request for FY 1977-79. Your Committees, therefore, are requiring the Department to submit a progress report twenty days prior to the opening of the 1977 legislature.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purposes of H.R. No. 68 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 994-76      Public Assistance and Human Services and Labor and Public Employment on H.R. No. 86

The purpose of this resolution is to request the Department of Social Services and Housing to submit a report of its management practices as they affect the administration of its public welfare programs, prior to the end of this Regular Session. The report should present in detail, the Department's practice on the following, and related matters: employee in-service training with regard to policies and procedures and the application of rules; mechanisms for employee participation in determination of policies, procedures, and rules prior to their implementation; communication between administrators and line staff; availability and comprehensibility of the official manual to line staff; procedures for review and revision of official manuals; progress in the use of electronic data processing to evaluate and improve job performance; procedures to ensure timely fair hearings and notification of hearing results to line staff; and procedures relating to referral of fraud cases to appropriate authorities, and notification of results of fraud prosecution to line staff.

The Department of Social Services and Housing is our State government's largest service agency, both in terms of the number of employees directly servicing the public, and in the amount of State resources allocated for providing human services delivery. The Legislature fully recognizes the difficulty of effecting efficient management in organizations as large and diversified as the Department, and is committed to the improvement of management practices in order to promote the wisest and best use of available resources, and the delivery of services of the highest quality.

Your Committees recommend that the resolution be amended to provide that the Department's report to the Legislature be submitted prior to the convening of the Regular Session of 1977, to allow sufficient time for the Department to carry out the intent of this resolution.

Your Committees on Public Assistance and Human Services and Labor and Public Employment concur with the intent and purpose of H.R. No. 86, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 86, H.D. 1.

Signed by all members of the Committees.

SCRep. 995-76          Legislative Management on H.R. No. 604

The purpose of this Resolution is to request the Legislative Auditor to examine the road repair and resurfacing policies of the City and County of Honolulu.

Your Committee feels that all motor vehicle owners, regardless if they reside on public or non-public roads, contributed taxes from motor vehicle registration, fuel tax, and public utility tax; and, therefore, should be entitled to adequately repaired or resurfaced roads.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 604 and recommends its adoption.

Signed by all members of the Committee except Representatives Morioka and Hakoda.

SCRep. 996-76          Legislative Management and Finance on H.R. No. 336

The purpose of this Resolution is to have the Legislative Reference Bureau prepare a report on potential constitutional issues so that the people can make an informed decision on whether or not they wish to call a constitutional convention.

Act 2 of the current session of the legislature provides that the question, "Shall there be a convention to propose a revision of our amendments to the Constitution?" shall be placed before the electorate in the general election of 1976. In order for the public to make an informed decision on that question, your Committees believe that the legislature, through a report by the Legislative Reference Bureau, should provide the public with information on potential constitutional issues. Such a report to the people will assist voters in deciding whether the issues warrant the call of a constitutional convention.

The report on constitutional issues is to be prepared in the form of a digest, pamphlet, or some other easily readable, graphically attractive and understandable form. It is to be given the widest possible public dissemination through community groups, legislators, libraries, schools, the news media and other organizations and institutions beginning at least 90 days before the 1976 general election.

Your Committees on Legislative Management and Finance concur with the intent and purpose of H.R. No. 336 and recommend its adoption.

Signed by all members of the Committees except Representatives Morioka and Hakoda.

SCRep. 997-76          Finance on H.R. No. 571

The purpose of this Resolution is to request your Committee on Labor and Public Employment to undertake a review and study of a deferred compensation program for public employees with particular attention to the tax revenue consequences of such a plan to the State.

There is a need to attract and retain employees of the highest caliber as public servants in Hawaii necessitates constant and innovative scrutiny of personnel policies and compensation alternatives for such employees. While such imaginative personnel and compensation policies are highly desirable, in this era of inflation and increased government spending, care must be taken that while public employees receive the highest consideration, the public and government fiscal policy are not adversely affected by them.

Deferred compensation plans may provide a major retirement benefit to employees

at no cost to the State. To assure that any steps toward the implementation of a deferred compensation plan have no adverse impact on the State, it is essential that the subject be thoroughly studied prior to legislative action.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 571, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Morioka and Hakoda.

SCRep. 998-76 Finance on H.R. No. 455

The purpose of this resolution is to request the Department of Social Services and Housing to evaluate the feasibility of entering into a contract with the Habilitat, Inc. to operate the Hawaii Correctional Facility at Koolau, Oahu, and to describe the existing relationship between the Department and the Habilitat.

The work that the Habilitat has been doing in the area of rehabilitative therapy has achieved some apparent success.

There already exists a working relationship between the Department of Social Services and Housing and the Habilitat and certain financial arrangements have been made in the past.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 455, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 999-76 Finance on S.C.R. No. 5

The purpose of this concurrent resolution is to request the United States Congress to amend the Internal Revenue Code to provide clarification of the tax impact on prepaid legal services plans, in particular:

- (1) Enact H. 3025, H. 8579 or S. 2051 which would provide that the contributions of an employer to a prepaid legal service plan are not taxable to the employee beneficiary of the plan and would also provide that the value of the benefits received under a prepaid legal service plan are not taxable to the member receiving the benefits; and
- (2) Amend section 501(c) of the Internal Revenue Code to provide that Taft-Hartley funds and non-Taft-Hartley funds are not taxed on the contributions received by them during the taxable year.

In 1972, approximately 32 million Americans with incomes between \$5,000 and \$15,000 were unable to afford legal services because they were too expensive. One of the methods of providing legal services to these persons and others who need them is through prepaid legal services.

Congress has amended the Taft-Hartley Act to allow the formation of trust funds to provide for such prepaid legal services plans. Congress has apparently preempted State action in the area of prepaid legal service plans which involves certain employers and employees covered by the Employee Retirement Income Security Act of 1974. Both of these Congressional Acts will encourage the formation of prepaid legal services plans; however, the income tax impact on these plans still remains unclear.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 5 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1000-76 Finance on H.R. No. 407

The purpose of this Resolution is to request the Board of Land and Natural Resources to initiate proceedings for the acquisition of Parcel A in the Salt Lake area for recreational purposes.

Salt Lake is a burgeoning community which lacks park and open space for an area with a potential of 30,000 residents in single family residential and apartment dwellings upon completion of full development.

There is ample justification of the acquisition of Parcel A, which is presently vacant and is suitable for recreational purposes and for open space, for the satisfaction of a significant part of the unmet recreational needs of the Salt Lake-Aliamanu communities.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 407, and recommends its adoption.

Signed by all members of the Committee except Representatives Morioka and Hakoda.

SCRep. 1001-76 Finance on H.R. No. 534

The purpose of this resolution is to request the Governor of the State of Hawaii to release funds for the continuation of summer session at the community colleges of the University of Hawaii system during 1976.

Early this year, the University decided to discontinue summer session programs at the community colleges for the upcoming summer. Two major factors motivated this decision. First, pursuant to Act 131, Session Laws of Hawaii 1975, which created a special fund for certain programs at the community colleges including summer session, the University determined that a complete review of summer session program funding was necessary at this time. Until a definitive policy is established, the University felt summer session should not be held. Secondly, the University has stated that tight fiscal constraints have affected the level of funding available for summer session purposes at the community colleges.

These reasons appear inadequate to justify the discontinuance of a program that has been an ongoing service of our community colleges.

Your Committee has noted the findings expressed in House Standing Committee Report No. 931-76 and agrees therewith.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 534 and recommends its adoption.

Signed by all members of the Committee except Representatives Morioka and Hakoda.

SCRep. 1002-76 Consumer Protection and Commerce on H.R. No. 629

The purpose of this resolution is to request that the Department of Regulatory Agencies, in conjunction with the Real Estate Commission, Institute of Real Estate Management (Hawaii Chapter), and the Hawaii Association of Realtors, study the feasibility and necessity of enacting legislation to establish a separate class of license for resident managers.

With the advent and tremendous growth of the condominium form of home ownership, there has been a concomitant growth in the number of resident managers of condominiums. While the duties, functions, and responsibilities of the condominium resident manager may vary, he should be knowledgeable in the area of landlord-tenant relations and budget and accounting procedures. In addition, resident managers may be called upon to show and rent units from time to time, an activity which falls under the purview of chapter 467 of the Hawaii Revised Statutes.

Your Committee feels that because resident managers may be entrusted with moneys belonging to others or charged with duties and responsibilities requiring specific expertise or licensing by the State, a study should be made to determine the feasibility and necessity of enacting legislation to establish a separate class of license for resident managers.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 629 and recommends its adoption.

Signed by all members of the Committee except Representatives Cobb, Naito, Fong and Hakoda.

SCRep. 1003-76 Consumer Protection and Commerce on H.R. No. 521

The purpose of this resolution, as amended, is to request the Director of the Building Department and Chief of the Fire Department, City and County of Honolulu, to jointly:

- (1) Conduct a comprehensive review of the fire safety standards of buildings including an analysis of the inspection and monitoring procedures;
- (2) Update the fire safety standards for buildings and streamline the inspection and monitoring procedures;
- (3) Consider the adoption of the current national Uniform Fire Code for Hawaii with modifications to suit local needs.

Your Committees are concerned that building fire standards and fire inspection procedures now in effect for the City and County of Honolulu may be outdated and inadequate, and may not adequately take into account high density development and increasing building heights.

Your Committees, mindful of their obligation for the health and safety of Hawaii's people, feels that government agencies charged with the administration and enforcement of building fire standards and fire inspection procedures should expedite efforts to review and update fire safety requirements.

This resolution has been amended so as to request only the Fire Department and Building Department of the City and County of Honolulu to work in concert to review building fire standards and fire inspection procedures. Your Committees feel that updating these standards are county responsibilities, and should not be handled on a statewide basis. Therefore, your Committees have excluded the State Fire Marshal from this study by deleting the words "State Fire Marshal" from the title and body of the resolution. However, this does not suggest that cooperation and coordination between these government agencies should not continue.

Your Committee on Consumer Protection and Commerce and your Committee on Housing concur with the intent and purpose of H.R. 521, as amended herein, and recommends that it be adopted in the form attached hereto as H.R. No. 521, H.D. 1.

Signed by all members of the Committees except Representatives Cobb, Naito, Fong and Hakoda.

SCRep. 1004-76 Health on H.R. No. 532

The purpose of this resolution is to request that the City and County of Honolulu establish an ambulance station, complete with an adequate staff of paramedical personnel, in the Ewa Beach sector of West Oahu.

Your Committee finds that the geographic isolation of the Ewa Beach area detracts from its accessibility to emergency health facilities. The necessity for ambulances to travel long distances to the area may create a substantial detriment to the adequate health care of the residents of the area.

Your Committee has amended the resolution to urge the City and County of Honolulu to consider the establishment of such ambulance services in the Ewa Beach area, in the context of available resources and identifiable need.

Your Committee on Health concurs with the intent and purpose of H.R. No. 532, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 532, H.D. 1.

Signed by all members of the Committee.

SCRep. 1005-76 Health on H.R. No. 531

The purpose of this resolution is to request the City and County of Honolulu to establish an ambulance station, complete with an adequate staff of paramedical personnel, in the Makakilo sector of West Oahu.

Your Committee finds that the geographic isolation of the Makakilo area detracts from

its accessibility to emergency health facilities. The necessity for ambulances to travel long distances to the area may create a substantial detriment to the adequate health care of the residents of the area.

Your Committee has amended the resolution to urge the City and County of Honolulu to consider the establishment of such ambulance services in the Makakilo area, in the context of available resources and identifiable need.

Your Committee on Health concurs with the intent and purpose of H.R. No. 531, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 531, H.D. 1.

Signed by all members of the Committee.

SCRep. 1006-76 Health and Public Assistance and Human Services on H.R. No. 88

The purpose of this resolution is to request the House Committees on Health and Public Assistance and Human Services to jointly review and determine the effectiveness of the State in procuring and using federal funds for health programs and to report their findings prior to the adjournment of the Regular Session of 1976.

Your Committees find that there is concern about the effectiveness of Hawaii's procuring and use of federal funds for health programs. As a reflection of this concern, the DOH has conducted a review of all such programs, with a view towards determination of the nature, extent, and participation of the State in such federal programs, and to identify those potentially subject to immediate and future participation by the State. The review indicates that thirty programs of the DOH are the subject of fifty grants, with the Department considering submitting an additional ten grant applications.

To ensure maximization of State participation in federal funds, and effective coordination of such resources, the DOH has secured interim assistance from federal grant program administrators, which are providing a federal employee to the DOH to assist in the grant program. This assistance, your Committees find, should be utilized to assist in developing staff capability to handle federal grants more efficaciously.

A crucial need of planning for the utilization of federal funds must include the analysis of the impact of such utilizations on the present and future budgeting of the Department. The report therefore should address the matter of such impact so that the planning will be based on pragmatic as well as philosophical bases.

Your Committees have amended the resolution to provide that the Department of Health conduct the requested study, with the assistance and cooperation of the Department of Social Services and Housing, as necessary, and to require that a report of the findings and recommendations be submitted prior to the convening of the next legislature.

Your Committees on Health and Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 88, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 88, H.D. 1.

Signed by all members of the Committees.

SCRep. 1007-76 Housing on H.R. No. 566 (Majority)

The purpose of this resolution is to request the City and County of Honolulu to place a moratorium on construction of residential high-rise buildings in the Kaimuki and Kapahulu communities except for facilities providing housing and care for the elderly.

During the last legislative session, \$50,000 was appropriated under Act 195 (Section 91, subsection D-26) for the development of a comprehensive master plan for the Kaimuki-Kapahulu Metropolitan area which will provide a positive base for a viable urban community capable of qualitative living standards for its residents. It is the intent of this resolution that the moratorium be effectuated until such time that the comprehensive master plan is drawn up.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 566 and recommends its adoption.

Signed by all members of the Committee except Representative Hakoda.

Representatives Cobb and Sutton did not concur.

SCRep. 1008-76 Youth and Elderly Affairs and Public Assistance and Human Services on H.R. No. 12

The purpose of this resolution is to request your Committees on Youth and Elderly Affairs and Public Assistance and Human Services to review the adequacy of the State's programs for protective services for children, with particular attention to the adequacy of the program's goals, scope of coverage, sufficiency of professional staff resources, inter-agency coordination and mechanisms for evaluating the efficiency of existing programs.

The recent publication of an evaluation of Oahu's child protective services by the Family Stress Center will provide an appropriate starting point and informational basis from which to begin such a review.

Testimony presented in support of this measure by the Department of Social Services and Housing characterized the review as both timely and appropriate, and expressed the Department's desire to cooperate fully with your Committees in studying the matters covered by the resolution.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services are in accord with the intent and purpose of H.R. No. 12 and recommend that it be adopted.

Signed by all members of the Committees.

SCRep. 1009-76 Culture and the Arts on H.R. No. 530

The purpose of this resolution is to request the State Foundation on Culture and the Arts to undertake restoration of the Juliette May Fraser murals at the State Library.

The murals referred to in this resolution have had a long and rich history, in that they were designed and created exclusively by Juliette May Fraser in 1935. In recent times, however, age has done its damage so that the murals are in danger of being lost. Plaster has cracked, and in some places has fallen off completely, and the original colors have faded.

Your Committee finds that this is a significant work in Hawaii's collection of art, and worth preservation. As Juliette May Fraser, the artist herself is about to enter her tenth decade, it would be a fitting tribute within her own lifetime to expedite restoration of these murals.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 530 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1010-76 Culture and the Arts on H.C.R. No. 102

The purpose of this concurrent resolution is to request the State Foundation on Culture and the Arts to undertake restoration of the Juliette May Fraser murals at the State Library.

The murals referred to in this concurrent resolution have had a long and rich history, in that they were designed and created exclusively by Juliette May Fraser in 1935. In recent times, however, age has done its damage so that the murals are in danger of being lost. Plaster has cracked, and in some places has fallen off completely, and the original colors have faded.

Your Committee finds that this is a significant work in Hawaii's collection of art, and worth preservation. As Juliette May Fraser, the artist herself is about to enter her tenth decade, it would be a fitting tribute within her own lifetime to expedite restoration of these murals.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.C.R. No. 102 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1011-76      Public Assistance and Human Services and Labor and Public  
Employment on H.R. No. 67

The purpose of this resolution, as amended, is to request the House Committee on Public Assistance and Human Services and the House Committee on Labor and Public Employment to jointly review and evaluate all programs and expenditures under the Federal Comprehensive Employment and Training Act and the State Program for the Unemployed during the 1976 interim and to make recommendations to the 1977 Legislature.

Both the State Program for the Unemployed and the State Comprehensive Employment and Training Act are government efforts designed to offer job training to the unemployed. These programs, however, should be reviewed or evaluated to assure (1) that the fullest possible use is being made of vocational education programs; (2) that there is a better distribution of trainees in both the public and private sector; (3) that there is a more diligent effort being made to match a person to a job; and (4) that there are provisions for training toward open-ended occupation. Such a legislative review would increase the efficiency of these programs and would offer the 1977 legislature a better opportunity to evaluate the programs' ability to meet stated goals and objectives.

The State Commission on Manpower and Full Employment has testified in support of the resolution and has offered to make available its evaluation of vocational programs which they are required to do pursuant to Public Law 90-576.

The Department of Labor and Industrial Relations also favors a legislative review and any legislative policy changes which would increase these program's effectiveness and maximize benefits for participants. The Department stated that an ongoing commitment to gearing training and employment opportunities to occupational skill shortage areas is maintained and it is your Committees' hope that the Department will seek the assistance of organized labor to better assess needs relating to occupational skills, labor supply and employment trends.

Your Committees have amended the resolution and its title to properly identify the State Program for the Unemployed.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purpose of H.R. No. 67, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committees.

SCRep. 1012-76      Public Assistance and Human Services on H.R. No. 51

The purpose of this resolution is to request Congress to give favorable consideration to the major food stamp program reforms embodied in the Dole-McGovern Food Stamp Reform Act.

Congress passed the Food Stamp Act in 1964 after pilot projects in eight cities during the early 1960's demonstrated the program's value in meeting the nutritional needs of low-income households. The program has experienced tremendous growth since its inception, and presently serves approximately 20 million recipients nationwide. It is the only assistance program which provides benefits to the working poor.

Food Stamps may be purchased at authorized distribution outlets, and can be used as money in any authorized store, to purchase all foods for human consumption except cigarettes, liquor, and vitamins. Under the current program, households must purchase a certain amount of food stamps (the purchase requirement or purchase price) in order to receive free bonus stamps. The purchase requirement and the amount of free bonus stamps allotted to each household is determined according to the household's size and net income. In Hawaii, households with net incomes of \$30 or less receive free food stamps.

A household may purchase one-fourth, one-half, three-fourths or all of its monthly allotment during any month in which it is eligible for the program. Households who also receive assistance payments may elect to have the purchase requirement deducted from their monthly checks and have stamps mailed to them.

Your Committee finds the Dole-McGovern Food Stamp Reform Act to embody the reform provisions most favorable to ensuring that the neediest receive the most benefits. Two reforms in particular, the establishment of a standard deduction to replace itemized deductions with regard to eligibility determination, and the elimination of the purchase requirement, will help to restructure the program in this direction. Your Committee has amended the resolution to express the desirability of instituting these two reform provisions.

Your Committee has further amended this resolution by drawing attention to particular areas of concern which require serious consideration by Congress during its discussion of food stamp reforms.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 51, H.D. 1.

Signed by all members of the Committee.

SCRep. 1013-76      Public Assistance and Human Services on H.R. No. 53

The original purpose of this resolution was to request the Congress of the United States to amend Title XX of the Social Security Act so as to make implementation a physically possible, and rational operation on the part of state agencies. Upon examination of the issue, your Committee finds that the concerns addressed in the resolution should be directed to the Department of Health, Education and Welfare for clarification through review and amendment of its rules and regulations. Your Committee has therefore amended both the title and resolving clause of the resolution accordingly.

Your Committee has further amended this resolution by specifying two related areas of concern which require special consideration by federal rule makers: simplification of income verification for means tested services, and greater flexibility with respect to the definition of family for certain services.

Testimony from the Department of Social Services and Housing, the principle administrator of Title XX programs in the State, indicated that eligibility determination for program participation presently requires extensive information and documentation of income. These requirements impede and hinder the effective delivery of services, particularly the short term services such as family planning and those related to drug abuse, because they slow down the number of clients who can be served and discourage potential clients.

Documentation of family income presents an impossibility for minors who seek confidential family planning or drug abuse related services. With respect to family planning services, the Executive Director of Hawaii Planned Parenthood, reported that 13% of their clients are minors. Testimony from Hawaii Planned Parenthood recommended that a declaratory statement of income replace documentary proof of income to ensure confidentiality, and to reduce the delay of services. Another alternative would be to extend greater flexibility to states with regard to the definition of family for certain types of services. Individuals would be considered as separate households when application for service is made, thereby eliminating the need for documenting the income of family members.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 53, H.D. 1.

Signed by all members of the Committee.

SCRep. 1014-76      Higher Education on H.R. No. 533

The purpose of this resolution is to request the Board of Regents to consider the alternative of locating the permanent facilities of the School of Law at the St. Francis High School site.

Your Committee held a public hearing; received testimony from the Assistant Vice Chancellor of the University of Hawaii at Manoa; and finds as follows:

Your Committee is aware that the American Bar Association in a recent review determined that the current facilities of the University of Hawaii's School of Law are inadequate

for legal education. Therefore, in order to maintain accreditation, the University is currently planning the immediate construction of interim facilities and is involved in long range planning for the construction of permanent housing for the Law School.

Your Committee is aware that the Board of Regents of the University of Hawaii has already approved plans to locate the permanent facilities on top of the new parking structure at the Manoa Campus. The construction of a building at this location will, however, give rise to serious environmental concerns.

Your Committee is aware that the purchase of the St. Francis High School and Convent property is currently being considered by the Legislature. Your Committee believes that the St. Francis land located adjacent to the Manoa Campus, would be an ideal location for the Law School. By placing the permanent facilities on the proposed additional land, the University will help to ease the problems of overcrowding, lack of open space and disruptive construction noise now affecting the Manoa Campus.

During the original review and selection process for the permanent Law School site, the St. Francis land was not considered because the acquisition and occupation date was uncertain at that time. However, since then, your Committee has been informed that should the University make a definite offer to purchase, the school would be able to vacate within six months. The speedy clearance should give the University more than adequate time to complete the renovations necessary for the purposes of the Law School.

Therefore, your Committee requests that the Board of Regents examine the feasibility of locating the permanent facilities of the School of Law at the St. Francis High School site.

Your Committee has amended the resolution to more accurately express its intent and to require the University to submit a report on its findings.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 533, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 533, H.D. 1.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 1015-76      Consumer Protection and Commerce on H.R. No. 601

The purpose of this resolution, as amended, is to request the Congress to consider the effects of certain Federal Communications Commission decisions on State public utilities commissions.

The resolution, as originally introduced, requested Congress to "reaffirm" (1) the national communications policy of "universal service" and (2) the authority of State public utility commissions to regulate interconnection of non-utility provided equipment.

As originally drafted, the resolution is directed toward a bill introduced in both houses of Congress just last month. The bill is aimed at reversing certain recent decisions of the Federal Communications Commission. These FCC decisions took cognizance of significant and sweeping changes in telecommunications technology during recent years. (These technological changes include satellites, microwave transmission, electronic switching, digital transmission, solid state devices and computers. They have profound implications for the telephone industry. Computers, for example, pose as actual or potential substitutes for switching machines.) The FCC decisions have enhanced the incentives for a variety of firms to exploit the technology and to manufacture many telecommunications products such as switching machines, transmission systems, key systems and private branch exchanges. They have accomplished this by introducing competition into what was theretofore a fully regulated industry. One series of decisions allows the interconnection with the telephone network of customer-provided terminal and station equipment. Another has authorized new specialized common carriers to provide private line intercity services. Still another has authorized competing domestic satellite systems.

The telephone companies have argued that the continuation of these FCC policies will lead to increased public local and long distance rates and wasteful uses of capital and physical resources. Others, particularly FCC experts, believe that market competition in the communications industry has been beneficial to the public, to the consumer,

to operating telephone companies and to outside suppliers. They state that competition broadens the base and incentives for research and development, broadens the choice and options open to operating companies (such as HAWTEL), enables outside vendors to make a contribution to telecommunications manufacturing, leads to lower costs, and rewards the innovative and efficient.

Whether Congress should pass a bill to return the telecommunications industry to the status of a fully regulated industry will undoubtedly be the subject of a great deal of debate. Your Committee does not believe that the Hawaii Legislature should take action during this session supporting either side before it has an opportunity to fully review both sides of the issue. Your Committee has been informed that hearings may not be held on the bill this year. Accordingly, your Committee has amended this resolution to indicate general concern on the effect of Federal Communications Commission actions on the responsibility of State public utility commissions to set local telephone rates. The title of the resolution has been amended accordingly.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 601, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 601, H.D. 1.

Signed by all members of the Committee except Representative Hakoda.

SCRep. 1016-76 Health on H.R. No. 581

The purpose of this resolution is to request the Department of Health to prepare an implementation plan of social rehabilitation residential facilities for the treatment of mental patients in Hawaii, and to present this plan to the Legislature twenty days prior to the convening of the 1977 session.

This implementation plan shall identify the target group of persons who will be served; establish the type and number of programs needed in each community; provide a continuum of alternatives to hospitalization; develop a timetable to decrease the resident population at Hawaii State Hospital through alternate placement in community-based social rehabilitation residential programs; and develop an accurate cost benefit statement for a period of five years.

The Department of Health testified that the Mental Health Division is currently writing a mental health State plan following the Federal guidelines. Part of this plan requires that they develop criteria for placement of mental patients in various settings. The Department is already under Federal requirements and court rulings to place patients in the least restrictive environment relative to the nature of their illness. Much of the information requested in this resolution will be developed for the Department's own purposes, and they in turn, will be able and willing to extend their plan to cover many of the items listed in this resolution.

Your Committee has amended this resolution by requesting the Department of Health to include the implementation plan of social rehabilitation residential facilities in the Department's mental health State plan, and to submit the mental health State plan prior to the convening of the 1977 session.

Your Committee on Health concurs with the intent and purpose of H.R. No. 581, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 581, H.D. 1.

Signed by all members of the Committee.

SCRep. 1017-76 Health on H.R. No. 615

The purpose of this resolution is to request the Department of Health to revise regulations relating to the use of ventilation stacks and adopt regulations, pursuant to Chapter 91, Hawaii Revised Statutes, which permit the use of Department of Health approved air cleaning devices in lieu of ventilation stacks in various business establishments.

The Department of Health has testified that with the enactment of the Hawaii Occupational Safety and Health Act, the Attorney General has ruled that Chapter 24 of the Public Health Regulations, which contains the requirements for the installation and use of ventilation stacks, has been preempted by the Department of Labor's OSHA regulations. With this



The Committee further recommends that administrative review by the Governor take place as a means of assuring that comparable State jobs are compensated in comparable manner.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 116 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1020-76      Judiciary on S.B. No. 1994-76

The purpose of this bill is to amend Section 291-1, Hawaii Revised Statutes, relating to the careless or heedless operation of a motor vehicle or riding of animals.

Your Committee finds that the intent of this bill is to provide a housekeeping measure to clarify ambiguities in the present law in the area of reckless driving or reckless riding of an animal. Your Committee notes that Section 291-12, Hawaii Revised Statutes, sets forth the penalty for an operator of a motor vehicle who operates any vehicle in a negligent manner. Therefore, the effect of this bill is to provide a distinction between simple negligence and reckless driving, since in the past, it has been possible for an operator to be convicted under Section 291-1, Hawaii Revised Statutes, for actions which constitute simple negligence.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1994-76 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1021-76      Judiciary on S.C.R. No. 84

The purpose of this resolution is to request the Governor to appoint a Citizens' Commission on Crime, to coordinate the state and county agencies concerned with crime and its various aspects, and to be placed within the Department of the Attorney General.

Your Committee finds that the establishment of a broad-based citizens body to begin to deal with the rampant, widespread crime in our society will provide not only citizen input, but an additional perspective to dealing with crime and its attendant problems.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1022-76      Judiciary on S.C.R. No. 108

The purpose of this concurrent resolution is to request the Office of the Legislative Reference Bureau to conduct a detailed study of the feasibility of implementing a system of public financing of political campaigns.

Your Committee finds that there is substantial public interest in exploring the area of campaign financing of candidates, following the recent United States Supreme Court decision in Buckley v. Valeo, 44 U.S.L.W. 4127 which held campaign expenditure limitations unconstitutional.

Your Committee recommends that within the area of a public financing study it is appropriate to consider an assessment of the possible methods of financing and recommendations on achieving the maximum effectiveness. A submission of the report of the findings and recommendations is requested by the Legislature twenty days prior to the convening of the Regular Session of 1977.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 108, S.D. 1, and recommends its joint referral to the Committee on Finance and the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Stanley, Yamada and Sutton.

SCRep. 1023-76      Judiciary on S.C.R. No. 106

The purpose of this concurrent resolution is to request the U.S. Census Bureau to make greater provisions for recognizing state and regional differences in planning for the 1980 Census of Population and Housing and provide for validity, significance and comparability of state data, and to adopt the recommendations on the above submitted by the Hawaii Chapter of the American Statistical Association on these matters which include:

1. Adding part-Hawaiian, Samoan, and other Polynesian to the race categories;
2. Adding "territory or possession" to the questions on origin and residence 5 years ago;
3. Clarifying whether declared property value includes the value of the land; and
4. Expanding the upper limits of property value and monthly rent to "\$250,000 or more" and "\$1,000 or more".

The State of Hawaii has depended on the U.S. Bureau of the Census to provide complete censuses of its population, housing and business conditions in a manner which will maintain historical comparability and provide valid detailed data which will fulfill the requirements of federal laws and facilitate social and economic planning. The 1970 Census of Population and Housing included data for the State which was non-comparable to that of previous censuses, specifically, the racial categories which were neither historically comparable nor comparable to current data on births, deaths, and other demographic and economic information, and which led to false conclusions.

Your Committee finds that the provisions called for in this study would adequately reflect the number of persons originating in territories and possessions of the United States. In addition, more accurate data on housing conditions and property values would be reflected in the suggested census refinements.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 106 and recommends its adoption.

Signed by all members of the Committee except Representatives Stanley, Yamada and Sutton.

SCRep. 1024-76      Judiciary on H.R. No. 622

The purpose of this resolution is to request the Department of Social Services and Housing, in conjunction with the Judiciary and the Board of Pardons and Paroles, to consider the issue of mandatory sentencing, and to state their respective policy positions as to whether such a system should be adopted in Hawaii, and if so, for which crimes and which offenders, and to report their policy positions and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1977.

Your Committee recognizes that a policy of mandatory sentencing would be a major departure from the policies underlying the Hawaii Correctional Master Plan. An obvious impact would be on the population increase in correctional facilities. The State's total inmate population has already increased nearly 20% since a year ago.

Your Committee believes that a thorough study of the costs and benefits of mandatory sentencing is needed at this time.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 622 and recommends its adoption.

Signed by all members of the Committee except Representatives Cobb, Lee, Stanley, Carroll, Fong and Sutton.

SCRep. 1025-76      Judiciary on H.C.R. No. 119

The purpose of this concurrent resolution is to request the Department of Social Services and Housing, in conjunction with the Judiciary and the Board of Pardons and Paroles,

to consider the issue of mandatory sentencing, and to state their respective policy positions as to whether such a system should be adopted in Hawaii, and if so, for which crimes and which offenders, and to report their policy positions and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1977.

Your Committee recognizes that a policy of mandatory sentencing would be a major departure from the policies underlying the Hawaii Correctional Master Plan. An obvious impact would be on the population increase in correctional facilities. The State's total inmate population has already increased nearly 20% since a year ago.

Your Committee believes that a thorough study of the costs and benefits of mandatory sentencing is needed at this time.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 119 and recommends its adoption.

Signed by all members of the Committee except Representatives Cobb, Lee, Stanley, Carroll, Fong and Sutton.

SCRep. 1026-76      Legislative Management on H.R. No. 212

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint an interim committee to formulate a proposal for a senior citizen legislative research aide internship program to be implemented during the 1977 Regular Session of the House of Representatives.

It is the intent of this resolution to involve senior citizens directly in the legislative process, in order to benefit from their greatly under-used and under-estimated talent and capacity for productiveness.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 212, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 1027-76      Legislative Management on H.R. No. 294

The purpose of this resolution is to request the Office of the Legislative Reference Bureau to conduct a study on the feasibility of establishing a Hawaii State Veterans Home.

Your Committee is appreciative of the contributions made by Hawaii's veterans and wish to express its appreciation by taking the first step necessary to provide a veterans' home for these men and women.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 294 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

SCRep. 1028-76      Legislative Management on H.R. No. 305

The purpose of this resolution is to request the Office of the Legislative Auditor to conduct an audit of the Department's provision of all direct and indirect children's services and to make recommendations based upon its audit.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 305 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

## SCRep. 1029-76 Legislative Management on H.R. No. 331

The purpose of this resolution is to request the Office of the Legislative Auditor to conduct a review of the Department of Social Services and Housing's compensation schedule for living and care arrangements for elderly and disabled adults and make recommendations on revisions to or the elimination of the point system.

It is the intent of this resolution to seek a thorough study and comparison evaluation of all possible schemes of compensation, including but not limited to those utilized by other states. The goal of such a review is that the Legislature be presented with a number of alternatives from which to choose, together with the necessary critical data on which to base such a selection.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 331, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

## SCRep. 1030-76 Legislative Management on H.R. No. 570

The purpose of this resolution is to request the Legislative Reference Bureau to complete the production of charts relating to the structure and organization of the agencies of the State, that it began during the 1976 Legislative session. The organizational structure charts are intended to clarify and provide understanding and interpretation of the functional roles and inter-relationships of the various State agencies and their personnel.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 570 and recommends its adoption.

Signed by all members of the Committee except Representative Morioka.

## SCRep. 1031-76 Judiciary on S.C.R. No. 84

The purpose of this concurrent resolution is to fully explore the complex aspects of crime in this community, the effects of which have become a major concern of our citizenry.

Your Committee finds property losses due to crime are escalating at an alarming rate, incidences of personal violence are soaring, and existing mechanisms and systems are overloaded and are not able to devote sufficient time and resources to develop new approaches to combatting the various types of criminal activity.

Your Committee concurs that the establishment of a broad-based citizens body to begin to deal with the matters of organized and other crimes, will provide not only citizen input, but an additional perspective to dealing with crime and its attendant problems.

Your Committee recommends that this resolution be amended to enunciate in more detail the scope, functions and duties of the proposed Citizen's Commission on Crime.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 84, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 84, H.D. 1.

Signed by all members of the Committee except Representatives Naito, Yap, Carroll, Medeiros and Sutton.

## SCRep. 1032-76 Judiciary on H.R. No. 27

The purpose of this resolution, as amended, is to fully explore the complex aspects of crime in this community, the effects of which have become a major concern of our citizenry.

Your Committee finds property losses due to crime are escalating at an alarming rate,

incidences of personal violence are soaring, and existing mechanisms and systems are overloaded and are not able to devote sufficient time and resources to develop new approaches to combatting the various types of criminal activity.

Your Committee concurs that the establishment of a broad-based citizens body to begin to deal with the matters of organized and other crimes, will provide not only citizen input, but more additional perspective to dealing with crime and its attendant problems.

Your Committee recommends that this resolution be amended to provide for a request to the Governor that a Citizen Commission on Crime be appointed, and to enunciate in detail the scope, functions, and duties of the proposed commission. Your Committee further recommends that the title of the resolution be amended to provide for the above-mentioned request.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 27, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 27, H.D. 1.

Signed by all members of the Committee except Representatives  
Naito, Yap, Carroll, Medeiros and Sutton.

SCRep. 1033-76      Finance on S.B. No. 1874-76

The purpose of this bill is to establish by statute the percentage of fair market value at which real property is assessed.

The increasing real property values each year have raised the assessment and resulting taxes on real property to over-burdensome levels for the people of this State. Fixing the percentage of fair market value at which such property is assessed at a level lower than the present 70 per cent will provide relief for these persons.

Your Committee, therefore, supports the assessment of real property at sixty per cent or less of fair market value, and for that purpose your Committee has amended this bill to restore the provisions as previously proposed by S.B. No. 1974-76, S.D. 1.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1874-76, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1874-76, S.D. 1, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative  
Morioka.

SCRep. 1034-76      Finance on S.B. No. 2274-76

The purpose of this bill is to amend the procedure for adopting real property tax rates.

Under the provisions of existing law, the Director of Taxation must provide each county council with a certification of the net taxable valuation of real property within the county. Based on this valuation and its budgetary requirements, each county then determines the tax rates to be applied on all taxable real property within its boundaries. In this process, the counties are required to publish a notice in a newspaper stating the tax rates under consideration. However, rates differing from those actually considered at the time the notice was published may be adopted.

Under the provisions of this bill, the Director of Taxation, at the time of certifying the real property tax base for the coming year, shall also certify the tax rate for each category of real property; the tax rates so certified shall be derived by using the net taxable assessed value for the forthcoming year and the county's real property revenues for the current year. Unless the county council changes the rates certified, the rates shall become the tax rates for the forthcoming year.

Each county may adopt rates other than those certified by the Director. To do so, the county council shall advertise its intentions to increase or decrease the tax rates. The notice shall set forth the time and place of the hearing to be held and shall set forth the rates to be considered.

After the initial hearing, the county council shall readvertise and reconvene within two weeks to adopt a resolution fixing the tax rates. The advertisement shall state the new rates to be fixed and the amount of increase or decrease. If the resolution is not adopted within two weeks from the initial public hearing, the county council will be required to go through the entire process again.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2274-76, 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 except Representative Morioka.

SCRep. 1035-76      Legislative Management

Informing the House that House Resolution Nos. 641 to 688, House Concurrent Resolution No. 123, Special Committee Report Nos. 19 to 23, and Conference Committee Report Nos. 37 to 53, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1036-76      Legislative Management

Informing the House that House Resolution Nos. 689 to 691, House Concurrent Resolution No. 124, Standing Committee Report Nos. 1031-76 to 1034-76 and 1037-76 to 1044-76, and Conference Committee Report Nos. 54 to 68, have been printed and distributed.

Signed by all members of the Committee.

SCRep.                      Finance and Legislative Management on S.C.R. No. 113

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a detailed study and analysis of the taxation of warranty parts and labor of automobiles.

It appears that new car dealers must pay the four percent general excise tax on warranty parts and labor furnished their customers. A study performed by the Hawaii Automobile Dealers Association finds that of the twenty-two states responding, only two levy a tax on warranty parts and in both these states, it is a use tax and not an excise tax. In other states, a sales tax is imposed on the initial transaction or sale of the new car which includes the manufacturer's warranty which must be honored by the new car dealer. It appears from this preliminary finding that the taxation of warranty parts and labor at four percent should be scrutinized to determine if the taxation thereof should be changed.

Your Committees on Finance and Legislative Management concur with the intent and purpose of S.C.R. No. 113 and recommend its adoption.

Signed by all members of the Committees except Representative Morioka.

SCRep. 1038-76      Energy and Transportation on S.C.R. No. 95

The purpose of this concurrent resolution is to create a task force to study the Department of Transportation's special funds and recommend alternative revenue sources for these funds.

In view of the State highway fund's continuing deficit and projected deficits of the airport and harbor funds, your Committee finds there is a need to evaluate existing transportation special fund revenue sources.

During the 1976 legislative session, your Committee explored alternative revenue-generating proposals such as the vehicle weight tax, the engine displacement tax, the fuel tax and the recommendations contained in the Arthur Young & Co. Study and concluded that additional work is needed to accurately assess the merits of each alternative. Your Committee believes that a review by an interim task force of these special funds

will greatly contribute to the development of a comprehensive transportation funding plan.

Your Committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 95 and recommends its adoption.

Signed by all members of the Committee except Representative Cobb.

SCRep. 1039-76 Energy and Transportation on S.C.R. No. 77 (Majority)

The purpose of this concurrent resolution is to request the Department of Transportation to withhold action on locating a general aviation airport at Bellows Field, Waimanalo, until the completion of the Kentron feasibility and environmental impact study of Waimanalo and other possible general aviation sites in January, 1977.

Your Committee received testimony from Waimanalo residents and the Waimanalo Neighborhood Board expressing strong opposition to the location of a general aviation airport at Bellows Field. Your Committee believes that no action should be taken in this matter until the Kentron Study is completed. Your Committee further believes that the information and recommendations contained in such a study, along with the recommendation of the Department of Transportation, will enable the State Legislature, to make the formal determination as to the best sites for a general aviation airport on the island of Oahu.

Your Committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 77, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Cobb.

Representative Carroll did not concur.

SCRep. 1040-76 Energy and Transportation on S.C.R. No. 73

The purpose of this concurrent resolution is to request that the Department of Transportation, in its development of the statewide master plan for bikeways, include provisions for the use of bikeways by joggers and walkers whenever possible.

Your Committee finds that the use of bikeways by both joggers and walkers, would significantly increase the utilization and benefits of such facilities. Your Committee further finds that provisions for the multiple and maximum usage of bikeways should be considered at the earliest possible stage in the development of the statewide master plan for bikeways.

Your Committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 73 and recommends its adoption.

Signed by all members of the Committee except Representative Cobb.

SCRep. 1041-76 Water, Land Use, Development, and Hawaiian Homes and Environmental Protection on S.C.R. No. 110

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to expeditiously develop a management proposal for the adequate protection of Molokini's marine environment.

Also, to coordinate the development of the proposal with the Natural Area Reserves System Commission, Division of Fish and Game, and any interested member of the public.

Your Committees on Water, Land Use, Development, and Hawaiian Homes and Environmental Protection concur with the intent and purpose of S.C.R. No. 110 and recommend its adoption.

Signed by all members of the Committee except Representatives Ho, Kondo, Cobb, Morioka, Shito, Oda, Takamura, Carrdl, Kamalii, Larsen and Yap.

SCRep. 1042-76 Water, Land Use, Development and Hawaiian Homes on  
S.C.R. No. 101 (Majority)

The purpose of this concurrent resolution is to urge the Department of Planning and Economic Development to concentrate its full efforts in the formulation of the State Plan as defined in Act 189. The concurrent resolution further proposes a new timetable for submittal of the State Plan to the Legislature. The Department is urged to submit a comprehensive set of preliminary goals and objectives for the State Plan to the Ninth Legislature prior to January 19, 1977, as well as any final elements of the State Plan which are complete by December 31, 1976.

Your Committee believes that the Legislature should continue to closely monitor and participate in the formulation of the State Plan during the interim period. To this end, your Committee urges the Speaker of the House and the Senate President to create a joint interim committee, composed of nine members from each house, to oversee and review the work progress in the development of the State Plan.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 101, and recommends its adoption.

Signed by all members of the Committee except Representatives  
Ho, Morioka, Oda, Yap and Larsen.

Representative Abercrombie did not concur.

SCRep. 1043-76 Water, Land Use, Development, and Hawaiian Homes on  
S.C.R. No. 79

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to adopt regulations which would protect the opihi from extinction by controlling the harvest of the opihi. The concurrent resolution encourages further research of the opihi as well as an investigation of possible opihi aquaculture in man-made environments.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 79, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives  
Ho, Morioka, Oda, Yap and Larsen.

SCRep. 1044-76 Water, Land Use, Development, and Hawaiian Homes on  
S.C.R. No. 64

The purpose of this Concurrent Resolution is to request the Fish and Wildlife Service, U.S. Department of the Interior, to give serious consideration toward permitting the controlled harvest of the marine fishery resources of the Northwestern Hawaiian Islands.

The Department of Land and Natural Resources, through discussions with commercial fishermen who have fished in the waters, acknowledges the vast fishery potential which exists in the area. The Department further recognizes that, due to the unique fauna and flora of the area, rational use must be made of the marine resources to protect and preserve the existing eco-systems. Consequently, the Department has been coordinating with the National Marine Fisheries Service and the Fish and Wildlife Service of the Federal Government, the Marine Affairs Coordinator, and the Hawaii Institute of Marine Biology in the planning of an assessment of the marine resources of the Northwestern Hawaiian Islands in order to formulate a comprehensive management scheme. A preliminary survey of the area is scheduled for May, 1976, to gather information needed to develop the assessment program.

Your Committee believes, with the concurrence of the Department of Land and Natural Resources, there is much merit in implementing a controlled commercial fishery under a permit system for the Northwestern Hawaiian Islands as proposed by this Resolution. Such a system will make possible the gathering of vitally needed information rapidly and in quantity at the lowest possible cost to the State.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 64 and recommends its adoption.

Signed by all members of the Committee except Representatives Ho, Morioka, Oda, Yap and Larsen.

SCRep. 1045-76      Judiciary on S.C.R. No. 74

The purpose of this concurrent resolution is to request the Hawaii Congressional Delegation to oppose any provision of S.1, also known as "The Criminal Justice Reform Act of 1975", which infringes upon the constitutional rights of the public.

Your Committee agrees that the citizenry of the State of Hawaii should continue to enjoy the fullest amount of freedom permitted under the United States Constitution. Accordingly, your Committee opposes certain provisions of S.1 which would appear to place severe penalties on lawful assemblies and speech and group actions related to public policy.

It is also noted that the objectionable portions of S.1 are particularly unacceptable to the people of Hawaii, since this State is the only area of the United States to have experienced the chill of military rule, resulting in full suppression of lawful political activity.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 74, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Cobb, Lee, Takamine, Yamada, Fong, Medeiros and Sutton.

SCRep. 1046-76      Finance on S.C.R. No. 114

The purpose of this concurrent resolution is to request the Senate Committee on Ways and Means and the House Committee on Finance to perform a joint study of all aspects of the budgetary process, including the planning, programming and budgeting system.

The Concurrent Resolution has been amended in the following respects:

- (1) The fourth whereas clause has been amended to read: "WHEREAS, the planning, programming and budgeting format should accommodate the information needs of both the executive and the legislature;"
- (2) The first BE IT RESOLVED clause has been amended to state the objective of the study which is to improve the planning, programming, and budgeting system.
- (3) An additional BE IT RESOLVED clause has been included to provide interim guidance to the department of budget and finance for the preparation of the next budget and program and financial plans.
- (4) The Director of Finance is included as a recipient of the Concurrent Resolution.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 114, and recommends its adoption in the format attached hereto as S.C.R. No. 114, H.D. 1.

Signed by all members of the Committee.

SCRep. 1047-76      Finance on H.C.R. No. 124

The purpose of this concurrent resolution is to establish a joint legislative interim committee to study the taxation of tourism and to ascertain the impact of such taxation.

The concurrent resolution has been amended in the following respects:

- (1) The first BE IT RESOLVED clause has been amended to provide for four representatives from the counties of Kauai, Maui, Hawaii, and Honolulu.
- (2) The second BE IT RESOLVED clause has been amended to read: "BE IT FURTHER RESOLVED that the Committee submit its findings and recommendations to the Ninth Legislature, Regular Session of 1977, twenty days prior to its convening."

(3) Certified copies are also to be sent to the respective mayors of the counties.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 124 and recommends its adoption in the format attached hereto as H.C.R. No. 124, H.D. 1.

Signed by all members of the Committee.