

STANDING COMMITTEE REPORTS

SCRep. 1 Finance on H.B. No. 2

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1984, and also for the expenses of the legislative support agencies during the 1983-84 fiscal year.

Upon due consideration of the needs of the Legislature and the legislative support agencies, your Committee has amended the bill to provide specific appropriations as follows:

SENATE AND HOUSE OF REPRESENTATIVES

The amount appropriated for the Senate is \$2,250,476 and the amount appropriated to the House of Representatives is \$2,921,541. Your Committee finds that the amounts are necessary to meet operating costs of the Legislature covering such items as equipment, supplies, staff services and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$1,458,038 to meet the basic operating budget of the Office of the Legislative Auditor. The total includes sufficient funds to continue a program of budget review and analysis. An amount of \$150,000 is also included for special studies and other purposes to be jointly determined by the Speaker of the House of Representatives and the President of the Senate.

STATE ETHICS COMMISSION

Your Committee approves the appropriation of \$149,696 to the State Ethics Commission.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,514,522 for the Legislative Reference Bureau. The total includes \$200,000 for the advisory study commission on water resources which was attached to the Legislative Reference Bureau for administration purposes by Act 170, Session Laws of Hawaii 1982. Funds of \$33,750 are also included for the installation of a new telephone system for the Bureau. The sum appropriated for information systems technical staff costs may be used for the hiring of analysts and programmers, equipment, supplies and other purposes directly related to the efficient operation of the information systems of the Legislative Reference Bureau.

OMBUDSMAN

Your Committee approves the appropriation of \$359,214 for the Office of the Ombudsman.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1984.

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

Signed by all members of the Committee except Representative Levin.

SCRep. 2 Finance on H.B. No. 3

The purpose of this bill is to provide for the appointment of a new tax review commission on or before July 1 and for the replacement of members upon vacancy or dissolution before completion of its duties.

This bill will require the next commission to submit its evaluation and recommendations to the legislature 30 days prior to the convening of the 1985 legislature. This bill also appropriates funds for the purposes of the commission.

Article VII, section 3 of the State Constitution mandates that a tax review commission be appointed to evaluate the State's tax structure and recommend revenue and tax

policies to the legislature. After passage of enabling legislation, the first commission undertook its duties in mid-1980. However, due to the fact that the commission had only 17 months in which to accomplish its task and a lack of appropriate funding, it returned to the 1981 session requesting an extension of the deadline and funds. The request for time and funds was not approved and the first commission subsequently resigned on June 30, 1981.

This measure is necessary to deal with the current problem created by the resignation of the first commission.

Your Committee is aware that the first commission struggled with the problem of defining the scope of the work and the basic policy areas to be covered. The issue was raised as to whether the real property tax, which, by the Constitution, is under the jurisdiction of the counties, is a proper subject for review by a commission which reports to the legislature. Your Committee agrees that the duty of the commission is to recommend policies and actions to the legislature and, therefore, the focus of the commission's work should be on taxes imposed by the State. However, any comprehensive review of the State's tax structure cannot ignore taxes imposed by local governments. For example, the commission may find that the offsetting of real property taxes by an increase in general excise taxes should be considered. The commission should not feel constrained in expanding the scope of its study to include looking at the real property tax in conjunction with other taxes.

Because the excise and income taxes are the most pervasive forms of taxation and because they generate approximately 85 percent of the State's general fund revenues, your Committee understands that the commission's work would largely address these two areas. Your Committee strongly believes, however, that the study should not be limited to these two areas, but should address other taxes and other areas of concern. To permit flexibility to the commission in deciding how to best approach their task, your Committee has not defined the scope of the commission's work in this bill. Your Committee urges, however, the commission to use its informed judgment in establishing the parameters of the study.

Your Committee has amended this bill by appropriating \$400,000 for the purposes of this bill. The bill is further amended by having the bill take effect upon approval and by allowing funds to be expended during the current fiscal year. The purpose of these amendments is to provide the commission with the time and funds necessary to carry out its duties. Due to the time constraints experienced by the first commission, your Committee agrees that the commission should be appointed and commence its work with all due speed. Should the commission be appointed prior to July 1, 1983, funds should be made available to it immediately to enable it to function.

Other minor amendments were made to correct typographical errors contained in the bill.

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

Signed by all members of the Committee except Representative Levin.

SCRep. 3 Human Services on H.B. No. 32

The purpose of this bill is to appropriate \$115,000 for the Child Support Enforcement program.

Your Committee heard testimony from the Department of Social Services and Housing in support of this bill as it would supplement the current efforts. The additional four investigators and two clerical personnel would be basically utilized for the establishment of paternity and to intercept unemployment insurance benefits. They would be able to increase the child support collections by approximately \$250,000.

Your Committee has amended this bill by reducing the appropriation to \$69,000 and has increased the child support investigators to eight and clerical personnel to four. The amendments reflect the state share needed to earn the 70 percent matching federal funds.

Your Committee on Human Services is in accord with the intent and purposes of H.B. No. 32, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 32, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 4 Human Services on H.B. No. 35

The purpose of this bill is to make an appropriation of \$238,650 to computerize the income maintenance eligibility determination program in the Department of Social Services and Housing.

The Department submitted testimony in support of this bill stating that the federal government believes that a key method of improving welfare management directed at by reducing high error rates and high costs is to computerize the functions of eligibility determination and grant calculation.

To promote the use of computer technology to reduce costs, the federal government is making available an incentive to states by providing 90% of the funds. The amount proposed by this bill is the state share needed to earn the federal funds.

Your Committee finds that the Department presently faces a potential fine of \$4.6 million because the error rate is over the tolerance level; the workers are bogged down with time consuming, detailed manual work, meaning they can serve fewer cases, payments are often inaccurate and clients are overpaid because the workers do not have time to concentrate on interviewing and gathering facts, management often does not have data to do a good managing job, and there is high turnover because of staff burnout.

Your Committee agrees that the computer system would result in dollar savings to the state as well as to promote efficiency in operating.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 35 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 5 Human Services on H.B. No. 119

The purpose of this bill is to triple the general excise tax credit under the income tax law for persons age 65 or over.

The current statute allows each resident taxpayer who files an individual income tax return for a taxable year to claim an excise tax credit for the taxpayer and for each qualified dependent. The tax credits are refundable if the amount exceeds tax liability for the taxable year or if there is no tax liability. The credit is variable depending on adjusted gross income. Taxpayers sixty-five years of age or older may claim double the tax credit.

The Department of Taxation submitted testimony in opposition to this bill.

Your Committee agrees that this bill would provide economic relief for elderly taxpayers during this period of high inflation.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 119 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 6 Human Services on H.B. No. 120

The purpose of this bill is to exempt the gross income or gross proceeds received from the retail sale of prescription drugs and prosthetic devices from the general excise tax law.

Currently, there is no statutory provision exempting the gross income received or derived from the retail sale of prescription drugs and prosthetic devices from the general excise tax.

Your Committee agrees that many elderly are living on fixed incomes and with the cost of living continually increasing, some form of economic relief is necessary. This

bill addresses the issue of income adequacy of the state's elderly who are generally the heaviest users of drugs in health care.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 120 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 7 Human Services on H.B. No. 122

The purpose of this bill is to appropriate \$73,200 for expansion of the Senior Companion Program.

The Senior Companion Program has shown that it is a viable way to provide supplementary income to able-bodied, low income senior citizens sixty and over as well as to provide community-based services to frail elderly to sustain them in their homes.

Your Committee finds there has been a waiting list of approximately 100 potential clients awaiting the assignment of a senior companion. This bill will provide funds to enroll twenty additional companions.

Your Committee agrees that the availability of the part-time services of the senior companions has made it possible for families of frail elderly to continue to care for the elderly at home while permitting the families to continue their employment and other business. If the services were not available, the frail elderly person would either be left alone and potentially neglected or be institutionalized.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 122 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 8 Human Services on H.B. No. 126

The purpose of this bill is to establish a permanent position within the Department of Social Services and Housing for the Senior Companion Program Director.

Your Committee agrees that the permanent position would provide the program with greater administrative stability. The current temporary nature of the position has acted as a deterrent to interested and capable individuals who have interest in the position and who have a need, like anyone else, to have some sense of security that the position is likely to continue.

Your Committee finds that no additional funds are required because funds for the position are already included in the Department's budget.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 126 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 9 Agriculture on H.B. No. 156

The purpose of this bill is to provide necessary funds for the planning and designing of a biological research laboratory as a further means of improving biological control measures in the state.

Your Committee has received testimony in support of this bill from the Chairman of the Board of Agriculture, the College of Tropical Agriculture and Human Resources, and the Hawaiian Sugar Planters Association.

Your Committee finds that although Hawaii has a highly creditable record of success in biological control of insect pests, there is a need to upgrade and expand present facilities if Hawaii is to maintain a leading role in this field.

Your Committee has amended this bill to more clearly reflect the Legislature's intent that biological control studies include the use of micro-organisms as well as insects as biological control measures. The following changes have been made:

1. The following new paragraph has been added to page 3, after line 6:

"The legislature finds that there is a need to pursue biological control studies in the use of micro-organisms such as plant disease "antagonists" or disease of weeds or nematodes or insects. Present facilities in Hawaii for quarantine studies with micro-organisms are inadequate."

2. On page 3, line 15a comma has been inserted after "insects" followed by the new phrase "and identification of micro-organisms".

Your Committee has also changed the word "counties" to "countries" on page 3, line 3.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 156, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 10 Agriculture on H.B. No. 157 (Majority)

The purpose of this bill is to amend the definition of "New Farmer Program" in Section 155-1, Hawaii Revised Statutes, to enable more individuals to qualify for benefits under the program.

Your Committee has received testimony from the Hawaii Farm Bureau Federation and the Chairman of the Board of Agriculture strongly opposing the lessening of qualification requirements for the "New Farmer Program" as proposed in this bill.

Your Committee finds that lessening of the requirements to the extent proposed by this bill could make qualification and eligibility requirements vague and subjective.

Your Committee has therefore amended this bill by deleting all changes proposed except for the change on page 2, lines 7 and 8.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 157, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Say did not concur.)

SCRep. 11 Agriculture on H.B. No. 165

The purpose of this bill is to provide financial assistance to the Hawaii Nurserymen and Growers Association for advertising and product promotion of Hawaiian-grown agricultural products.

Your Committee has received testimony in support of this bill from the Hawaii Farm Bureau Federation, the Chairman of the Board of Agriculture, and the Hawaii Nurserymen and Growers Association.

Your Committee finds that export sales of finished and unfinished foliage plants have leveled off in 1982, and that Hawaii's nurserymen have been unable to effectively compete in the national market due to the lack of a large-scale promotion program. Your Committee therefore finds that the advertising and product promotion funding assistance provided by this bill would benefit Hawaii's economy and be consistent with the State's goal of expanding Hawaii's diversified agricultural industries.

Your Committee has amended this bill by inserting the sum of \$100,000 as the amount appropriated for the purposes of this bill. Your Committee has also amended the fiscal year in which these funds are appropriated.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 165, as amended herein, and recommends that it pass Second Reading in the form attached

hereto as H.B. No. 165, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 12 Agriculture on H.B. No. 170

The purpose of this bill is to appropriate funds to study the potential for utilizing sugar cane as a fodder for animal feed.

Your Committee has received testimony in support of this bill from representatives from the Board of Agriculture, the College of Tropical Agriculture and Human Resources, and the Hawaiian Sugar Planters Association.

Your Committee finds that with the abandonment of sugar cane cultivation and production in a number of locations, agricultural land is becoming available for the production of other crops. Your Committee believes that it would be most beneficial to the State if these lands could be used to grow sugar cane as a fodder for animal feed.

Your Committee has amended this bill by requiring that the funds appropriated by this bill be matched on a dollar per dollar basis by the Hawaiian Sugar Planters Association.

Your Committee also made other technical, nonsubstantive amendments.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 170, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 13 Agriculture on H.B. No. 154

The purpose of this bill is to amend Chapter 141, Hawaii Revised Statutes, by adding a new section that defines the terms "Agriculture" and "Farmer".

Your Committee has received testimony from the Hawaii Farm Bureau Federation and the Chairman of the Board of Agriculture.

Your Committee has amended this bill by replacing the definitions on page 1, lines 6 through 11 with the following:

- (1) "Agriculture" means the cultivation of plants and animals for present and future economic benefit.
- (2) "Farmer" means a person engaged in agriculture as a major source of livelihood or income.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 154, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 14 Finance on H.B. No. 328

The purpose of this Administration-sponsored bill is to amend section 237-40, Hawaii Revised Statutes, which governs the time period within which a taxpayer may claim a refund on his general excise tax payment.

Currently, a taxpayer has up to three years from the date he filed his return in which to claim a refund or credit. This bill would allow a taxpayer to claim a refund or credit within three years after the tax was paid or within three years of the date prescribed for filing the annual return, whichever is later.

This amendment would correct an inequity which penalizes a taxpayer who files his return and pays his tax earlier than the prescribed due date. For example, a calendar year taxpayer's annual return for 1982 is due on April 20, 1983. Under the present

statute, if the taxpayer files his return on February 1, 1983, he has until February 1, 1986, in which to file a claim for a refund. However, another taxpayer who waits until April 20, 1983, to file his return will have until April 20, 1986, in which to file a claim for refund. This bill will give the taxpayer who filed his return in February 1983 until April 20, 1986, to file a claim for a refund or a credit.

This bill will bring the general excise tax law in line with state income tax law. It would also conform the dates for filing for credits and refunds to that of assessing additional taxes under Chapter 237, Hawaii Revised Statutes.

Your Committee has amended the bill to correct a drafting error.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 328, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 15 Agriculture and Ocean and Marine Resources on H.B. No. 159

The purpose of this bill is to amend Article VII, Section 12, of the Hawaii Constitution to allow the issuance of special purpose revenue bonds to assist enterprises engaged in retailing or wholesaling agricultural, aquacultural, or fishery products.

Your Committees find that this bill would enable relatively small diversified industries to expand their retailing and wholesaling operations and increase their contribution to Hawaii's economy. While aquaculture is a small industry, future expansion of Hawaiian prawns, marine shrimp, and other species would benefit from the availability of this type of financing.

Your Committees have received testimony in support of this bill from the Chairman of the Board of Land and Natural Resources.

Your Committees on Agriculture and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 159 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 16 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 255

The purpose of the bill is to enable the transfer of park lands between the State and the counties, including the transfer of related improvements, personnel, equipment, and other resources for the management and operation of the park areas.

The State and the City and County of Honolulu, have already prepared a jurisdictional evaluation of recreation sites and an exchange plan to implement the transfer of the initial group of parks proposed for exchange. The details of the first-phase exchange sites were drafted and the Attorney General's office reviewed the legal issues, regarding the transfer. Similar jurisdictional evaluations and exchange plans are expected to be developed with the neighbor island counties as part of the implementation of the State Recreation Plan.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 255 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 17 Ocean and Marine Resources on H.B. No. 53

The purpose of this bill is to enact a new chapter on aquaculture which will facilitate the development of the aquaculture industry in this State and to establish an aquaculture coordinating, development, and advisory council.

H.B. No. 53 was introduced as a short-form "vehicle" bill, which is primarily used for convenience to introduce a bill containing only a general idea as to its purpose

and means without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may properly be held on its substantive provisions. Without the amendment providing the substantive contents, members of the public cannot be duly apprised, in advance of the hearing, as to what the bill specifically purports to do and the specific means by which it intends to achieve the desired results. Thus, a hearing on a short-form bill may not be helpful, and a notice thereof could be less than meaningful.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 53, as amended herein, and recommends that it be recommitted to the Committee on Ocean and Marine Resources, for the purpose of holding a public hearing thereon, in the long form attached hereto as H.B. No. 53, H.D. 1.

Signed by all members of the Committee except Representatives Crozier and Say.

SCRep. 18 Consumer Protection and Commerce on H.B. No. 166

The purpose of this bill is to increase from one to two years the length of time in which proofs of losses must be submitted to an insurer when it was not reasonably possible to give such proofs within the normal 90-day claim period.

Testimony in support of the intent of the bill was provided by the Department of Commerce and Consumer Affairs and the Hawaii Insurers Council. The testimony, however, suggested that the extended claim period be increased from one year to fifteen months in order to allow an insurer to meet the two-year statute of limitations on tort claims.

Your Committee is in agreement that the extended period for submitting proofs of loss should be increased but that an insurer's right to sue should not be affected. The bill, therefore, has been amended to increase the claim period from one year to fifteen months.

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

Signed by all members of the Committee.

SCRep. 19 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 251

The purpose of this bill is to amend Section 191-12, Hawaii Revised Statutes, in order to authorize the Department of Land and Natural Resources to permit the taking and collecting of game birds and mammals for scientific or educational purposes and to control such animals which are destructive to crops or which constitute a nuisance or a human health hazard.

Currently, Section 191-12 authorizes the taking and collecting of only wild birds for scientific and educational purposes. However, according to testimony, numerous requests have been received each year from scientists and educators who wish to collect game birds and mammals as well for study and classroom use. Moreover, game birds and mammals have been implicated in crop damage complaints which involve significant financial loss to agricultural industries and the control of these animals in local situations is essential.

Your Committee finds that certain game birds and mammals are destructive not only to crops but also to each other. Concern for such destruction needs to be recognized and addressed by adding the phrase "and to other game birds and game mammals" following the word "crops" in Section 191-12(3) of the bill (line 7, page 2). Other minor and technical amendments have been made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 251, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 20 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 257

The purpose of the bill is to amend Section 171-13, Hawaii Revised Statutes, in order to provide that no person shall be eligible to purchase or lease public lands, or be granted a license, permit or easement covering public lands, who has during the five years preceding the date of contemplated disposition of public lands had a previous contractual agreement covering public lands cancelled for failure to satisfy the terms and conditions thereof.

Under present law a person who has had a previous contractual arrangement covering public lands cancelled because of his or her lack of performance can pay up whatever money might be owing and thereby become technically eligible for a new disposition. H.B. No. 257 serves to discourage willful forfeitures.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 257 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 21 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 256

The purpose of the bill is to enable the disposition of easements affecting State lands to public utilities provided that such sale price or lease rental be on a nominal basis, if the Board of Land and Natural Resources finds that such easement is required in connection with a governmental project.

Under present law easements affecting State lands can only be awarded to public utilities on the basis of an independent appraisal of the fair market value of the easement. The public utilities, on the other hand, require the customer to pay for any easements needed to enable the furnishing of service to the customer's land. When government projects are involved, and an easement over adjacent government land is needed to furnish service to the project, it can result in the government itself paying for an easement over its own lands.

Minor, non-substantive amendments have been made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 256, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 22 Human Services and Health on H.B. No. 72

The purpose of this bill, as received by your Committees, is to establish a nursing home without walls demonstration project under the Department of Social Services and Housing to provide home care services to persons who are eligible under the medical assistance program and whose health conditions qualify them for placement in a hospital or residential health care facility.

In response to testimony in support of the bill by the Department of Social Services and Housing, your Committees have amended this bill in its entirety, making numerous organizational, non-substantive amendments for the sake of greater clarity. Your Committees also substantively amended the bill in the following principle respects:

(a) Specifying in the findings and purpose section of the bill that the development of more economical methods of home care services should be the primary focus of State action, and that extended home care services are intended to serve as a single point of entry and access to a comprehensive and coordinated program of care for the aged and chronically ill;

(b) Providing that the demonstration project be limited to the island of Oahu and operate from July 1, 1983 to June 30, 1985;

(c) Specifying that patient eligibility and the patient care expenditure ceiling shall be based on the pertinent aspects of the Medicaid program;

- (d) Removing the patient care expenditure ceiling as a criterion of patient eligibility and computing the ceiling on an annual rather than monthly basis;
- (e) Providing that patients may accrue "Paper credits" for funds not utilized under the patient care expenditure ceiling which may be applied against later higher service requirements;
- (f) Establishing a total project expenditure ceiling at not more than 75 percent of the Medicaid cost of serving the project's patients;
- (g) Deleting detailed requirements governing the comprehensive assessment of patients for appropriate care;
- (h) Deleting detailed requirements governing the application and contracting of interested services providers;
- (i) Providing that services should be provided in the most economical manner feasible, including the use of informal care providers, contracted agency and individual providers, and project personnel
- (j) Establishing a project advisory council;
- (k) Exempting the project from licensing or certification requirements of the Department of Health or the State Health Planning and Development Agency;
- (l) Requiring the Department to adopt appropriate rules and regulations;
- (m) Exempting project personnel from civil service provisions; and
- (n) Appropriating \$618,968 for fiscal year 1983-1984 and \$1,454,795 for fiscal year 1984-1985 to carry out the purposes of the Act.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. 72, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 72, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 23 Human Services on H.B. No. 325

The purpose of this bill is to repeal Chapters 346-53 and 346-55 of the Hawaii Revised Statutes which were adopted as early as 1939 to provide the Department of Social Services and Housing with the basis for the provision of assistance for children under the federal Aid to Families with Dependent Children (AFDC) Program.

Your Committee finds that the use of this statutory base, however, has been replaced by provisions under the Hawaii Revised Statutes, Chapter 346-7, Acceptance of Grants-in-Aid or Outright Grants, and Chapter 346-14(b) relating to cooperation with the federal government in carrying out the purposes of the Social Security Act for receipt of financial assistance from the federal government.

Your Committee agrees that this bill eliminates outdated and duplicated provisions. Numerous changes have occurred in the technical provision of the federal AFDC program since the sections were enacted. For example, current state statute, Chapter 346-55(2) provides for assisting children up to age eighteen years and up to twenty-one years if regularly attending school. Federal AFDC law since October, 1981, under the Omnibus Budget Reconciliation Act reduced age eligibility to age nineteen.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 325 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 24 Human Services on H.B. No. 326

The purpose of this bill is to amend the statutes related to the recovery of medical

assistance or burial payments made or to be made by the Department of Social Services and Housing to specified recipients who have a right to claim for damages or who received awards from a third party in a suit or settlement.

The Department submitted testimony in support of this bill, which will amend the statute to authorize the Department to appropriately pursue recovery from a third party, whenever liability is established or when issues of third party liability are settled or compromised without finding of liability, through a lien against the proceeds from all damages awarded to the individual on whose behalf the Department furnished medical assistance or burial payments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 326 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 25 Consumer Protection and Commerce on H.B. No. 276

The purpose of this bill is to require insurers to pay all examination expenses to the state general fund.

Although Section 431-59, HRS, requires payment of examination expenses to the examiners directly, in actual practice, insurers have been requested by the Insurance Division to remit payments to the state general fund. This bill will amend the statute to embody the current procedure, to keep the examination account in line with the general budgetary procedures applicable to all state agencies.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 276 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 26 Consumer Protection and Commerce on H.B. No. 312

The purpose of this bill is to authorize the director of the Department of Commerce and Consumer Affairs to employ individuals possessing specialized expertise in utility and transportation matters on a contract-for-hire basis, without regard to the provisions of Chapters 76 and 77, HRS.

Testimony in support of this bill was provided by the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 312, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 27 Water, Land Use, Development and Hawaiian Affairs and State General Planning on H.B. No. 269

The purpose of this bill is to clarify provisions of Section 206E-3(b), Hawaii Revised Statutes, which state how members of the Authority are appointed by the Governor from recommendations made by the local governing body.

Under present law initial appointment of three members is made from a list of ten names recommended by the local governing body of the county in which a community development district is designated. However, subsequent appointments to fill vacancies for the three members selected from county-recommended names are not provided for by law. In effect, H.B. No. 269 specifies the number of names to be recommended by the local governing body when one, two, or three vacancies are to be filled at one time.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of H.B. No. 269 and recommend that it pass Second reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 28 Consumer Protection and Commerce on H.B. No. 207

The purpose of this bill is to codify into a single chapter, the authority and responsibility of the Chairman of the Board of Agriculture, the Board of Agriculture, and the Division of Measurement Standards; to provide for mandatory registration of service persons, and performance bonding of non-registered or non-resident service persons; and to reflect a more meaningful fine structure for violators of the requirements of the chapter.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 207 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 29 Consumer Protection and Commerce on H.B. No. 275

The purpose of this bill is to consolidate the reports the Insurance Commissioner is presently required to prepare under the provisions of Chapter 431 (The Hawaii Insurance Law) and Chapter 294 (The Hawaii No-Fault Law).

In view of the duplicative effort and costs involved in the preparation of two reports, it would be more efficient for the Commissioner to consolidate the information and submit only one annual report to the Legislature.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 275 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 30 Consumer Protection and Commerce on H.B. No. 278

The purpose of this bill is to increase from 15 to 30 days the initial period in which the insurance commissioner must approve or disapprove rate filings. The bill also increases from 15 to 30 days the time beyond the initial period in which the commissioner must act.

The Department of Commerce and Consumer Affairs submitted testimony in support of the bill by stating that the technological and logistical requirements of rate review necessitated the additional time. The Hawaii Insurer's Council testified in opposition to the bill claiming that delays may affect the financial stability of an insurer attempting to recoup significant losses.

Your Committee recognizes the need for the insurance commissioner to obtain the proper expertise prior to approving or disapproving a rate filing. Delays, however, should not be unfair to an insurer.

Your Committee, therefore, has amended this bill to retain the 15 day extended period of time available to the insurance commissioner beyond the initial 30-day period. Nonsubstantive amendments have also been made for the purpose of consistency.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 278, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 31 Consumer Protection and Commerce on H.B. No. 280

The purpose of this bill is to clearly authorize the Public Utilities Commission to promulgate rules.

Testimony in support of this bill was provided by the Department of Commerce and

Consumer Affairs, the Public Utilities Commission, and Hawaiian Telephone Company.

Section 269-14, Hawaii Revised Statutes, presently permits the Commission to make rules respecting procedures before it. No mention is made, however, about substantive matters. This bill would assure that rules may be adopted which apply to the entire scope of the Commission's statutory functions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 280 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 32 Consumer Protection and Commerce on H.B. No. 277

The purpose of this bill is to clarify the responsibilities of a licensee who receives and collects insurance premiums from policy holders on behalf of insurers.

At present the insurance agent serves as a trustee who reports and keeps an account of all premiums received or collected. An agent may commingle premiums received from clients with his/her personal funds upon the written consent of the client. Currently the statute is not clear as to whether the agent may make investments which do not accrue to the benefit of the client.

This bill clarifies the rights and responsibilities of the agent when dealing with premiums received or collected. Although the agent may, upon written consent of the insurer or persons entitled to such funds, retain for the agent's personal benefit the interest earned from fiduciary funds, under this amendment the agent must keep such funds on deposit in a federally insured Hawaii bank or savings and loan association account and may not commingle such funds with his/her own funds.

Testimony was given by the Department of Commerce and Consumer Affairs in support of the bill. Further testimony was also received from the Hawaii Independent Insurance Agents Association in support of the bill.

Testimony was given by the Hawaii State Association of Life Underwriters which expressed concern that computing the interest earned on accounts would be cumbersome and time-consuming. They suggested that an alternative for agents would be to open a non-interest bearing trustee account. During the ensuing discussion, however, it was clarified that interest need not be allocated among the agent's clients.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 277 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 33 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 232

The purpose of this bill is to amend Section 127-11, Hawaii Revised Statutes, in order to increase the ceiling amount which the Governor may expend from the Major Disaster Fund from \$750,000 to \$1,000,000 for immediate relief of any single major disaster.

According to testimony, the proposed increase is necessary in order to minimize the financial burden placed upon counties as a result of increased material and labor costs associated with inflation. In some instances the repair of public facilities has been delayed or postponed due to county budget restraints. Additional state funds made available will greatly enhance the counties' capabilities in effecting more timely repairs and undertaking necessary hazard mitigation actions.

A minor amendment to underscore "of civil defense" in Section 1 of the bill has been made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 232, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Hashimoto and Kiyabu-Saballa.

SCRep. 34 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 235

The purpose of this bill is to amend the Hawaiian Homes Commission Act, 1920, as amended, in order to increase the ceiling on loans to lessees for the repair, maintenance, purchase and erection of a dwelling and related permanent improvements.

Under present law the ceiling is \$50,000. Costs have increased incrementally during the past several years, but the law has not recognized the pressures of inflation on new home construction costs and related expenses for permanent improvements. Your Committee is in agreement that \$60,000 is an appropriate sum.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 235 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Hashimoto and Kiyabu-Saballa.

SCRep. 35 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 236

The purpose of this bill is to clarify and correct inconsistencies in Sections 213 and 255, Hawaiian Homes Commission Act, 1920, as amended, relating to funds for deposit of money earned through investments.

Section 213(b) does not permit interest money earned through investment from the borrowed money fund and the Hawaiian home loan fund to be deposited in the Hawaiian loan interest fund. At the same time, Section 255(a) is contradictory in that interest, with the exception of interest earned in the Hawaiian homes administration account and the native Hawaiian rehabilitation fund account, is required to be deposited in the Hawaiian home interest fund.

H.B. No. 236 allows moneys from the borrowed money fund and the Hawaiian home loan fund to be deposited in the Hawaiian loan interest fund. Such action will more clearly identify the funds for deposit of interest money earned through investments. Moreover, the bill calls for amendment of the title of the Hawaiian loan interest fund to the "Hawaiian home interest fund".

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 236 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Hashimoto and Kiyabu-Saballa.

SCRep. 36 Health on H.B. No. 69

The purpose of this bill is to incorporate the Model Determination of Death Act into the Hawaii Revised Statutes and to repeal the existing statutes on Determination of Death.

Your Committee finds that H.B. No. 69 is patterned after model legislation recommended by the American Medical Association. However, the Department of Health has suggested that a contradiction may exist in section 1, Persons who may determine death. Although the attending physician appears to hold sole responsibility for determining death, his opinion must be supported with signed statements from more than one physician.

Section 327-1(b) of the Hawaii Revised Statutes requires the attending physician to consult with another physician before determining death. Your Committee has amended H.B. No. 69 to retain such consultation by amending section 1, page 2, line 2 with the insertion: "attending physician and of a consulting physician, both of whom are licensed..."

There are typographical errors in section 1, page 2, lines 2 and 3, regarding licensing requirements for persons who determine death. Here, the original bill refers to chapter 435 of the Hawaii Revised Statutes. The correct reference is chapter 453, Medical Practice Act. Your Committee has amended the bill accordingly.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 69, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 69, H.D. 1.

Signed by all members of the Committee.

SCRep. 37 Education on H.R. No. 33

The purpose of this resolution is to request the Board of Education to conduct a comprehensive review of library services and staffing and to report on its findings and recommendations to the legislature prior to the convening of the 1984 session.

Your committee finds that the demand for services of the type now offered by the public library system are increasing at a much faster rate than the rise in standard social indices such as population growth or educational attainment. This rapid growth may have adverse effects on the ultimate goal of the public library system to provide comprehensive library services with the necessary staffing and at the times the public needs these services.

The Board of Education and the state library systems have testified in support of the spirit and intent of this resolution and expect no difficulty in meeting its objectives. According to the State Librarian, a master plan for 1984-1990 is already under development and is scheduled for completion by January, 1984. Review and acceptance by the Board will follow.

It is the hope of your Committee that this timetable will be met although your Committee's preference is for the receipt of a Board-approved master plan in January, 1984. It is also the hope of your Committee that the plan will include the Legislature's concerns for alternative approaches to achieve maximum efficiency and responsiveness to public needs and desires.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 33 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 38 Education on H.R. No. 31

The purpose of this resolution is to request the Board of Education to develop and adopt objective criteria and review the procedures to ensure the appropriate consolidation of under-utilized schools by the end of the 1983 session. Also, once the criteria have been adopted, the Board is requested to develop a plan for school consolidation and report on that plan and timetable prior to the convening of the 1984 legislative session.

Your Committee finds that at a number of schools student enrollment has declined steadily for the past several years, dropping well below the numbers for which these schools were constructed. The resulting underutilization is difficult to tolerate in the face of the present revenue shortfalls, especially inasmuch as certain basic staffing is required for each such school regardless of enrollment. Better planning, coordination and efficiencies must be introduced into the school facilities program.

According to testimony received by your Committee from the Board of Education, the Board supports the intent of this resolution and reports that it has already begun to consider the matter. As part of the Board's work on reformatting all of its rules, it has proposed amending its old Rule 45, reformatted as Chapter 38, to remove the 100 student floor as the trigger for consolidation proceedings. Instead, the Board has proposed to substitute economic and educational conditions as triggers. Further, delineation of these criteria must still be developed by the Board. This amended rule must still be approved by the entire Board for submission to the Attorney General, be approved by the Governor, scheduled for public hearings, and adopted by the Board.

The chairperson of the Board facilities committee testified to your Committee that the specifics as to the economic and social indicators and the indicators of the effect on the education of children are still under development and not available for public dissemination at this time. She did express the hope that they would be available by the end of this session. Further, she indicated that once the criteria for consolidation are developed, the procedures to implement would include: (1) conducting a feasibility study for each school meeting the criteria for closure; (2) decision by the Board on the recommendations of each feasibility study, if a study recommends closure; and (3) public hearings in each affected community.

Your Committee appreciates the thought already given to this matter by the Board.

Consolidation of schools is always a sensitive matter and one which all officials would like to avoid. It appears to your Committee, however, that the procedures outlined by the Board for its dealing with this problem could easily lend themselves to protraction. It behooves your Committee, therefore, to reiterate its desire that the ultimate outcome--consolidation of under-utilized schools--be achieved with all due speed. While appropriate consideration should be given to noneconomic factors, those factors should not be permitted to obscure and delay. Continuing to keep under-utilized schools open is a perpetuation of services to a favored few. The funds saved no doubt could be put to much more efficient and, perhaps, more efficacious use.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 31 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 39 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 234

The purpose of this bill is to allow the Department of Hawaiian Home Lands greater flexibility in the administration of its lands, through the disposition of licenses.

Under present law the Department is limited to issuing 21-year licenses to public utility companies which, in turn, must serve its beneficiaries who hold 99-year leases. According to testimony, the 21-year term is too limited and unsatisfactory, as it does not provide assurance that uninterrupted service can be furnished to the Department's homesteading communities. Once service is established, public utilities are required by law to continue service for the period needed by the Department's lessees.

Your Committee finds the 21-year license term to be restrictive. Public utility companies must expend considerable sums to provide service and improvements on a license easement that the Department can ensure for only 21 years. H.B. No. 234 therefore establishes a more equitable working relationship with public utilities in providing necessary services to the Department's homesteaders.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 234 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 Bunda, Hashimoto and Kiyabu-Saballa.

SCRep. 40 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 272

The purpose of this bill is to update statutory language and to delete obsolete material in Section 26-18, Hawaii Revised Statutes, relating to the functional assignments of the Department of Planning and Economic Development.

For the most part, Section 26-18 does not cover the scope of work assigned to the Department and focuses upon product promotion and industry development. It fails to reflect the Department's statutory assignments in statewide planning, energy, ocean resources development, and international commerce. Moreover, it refers to agricultural product promotion, a function already transferred to the Department of Agriculture.

H.B. No. 272 also updates the manner in which appointments to the nine-member Board of Planning and Economic Development are to be made. Under present law the requirement is to have at least one member representing the public from each senatorial district. Due to the recent reapportionment, the number of senatorial districts has increased, thereby making the board an extremely large group of advisors. This bill provides that one member shall be from each county and five at-large.

Technical amendments have been made without altering the intent and purpose of the bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 272, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bunda, Hashimoto and Kiyabu-Saballa.

SCRep. 41 Consumer Protection and Commerce on H.B. No. 285

The purpose of this bill is to amend Chapter 437B, Hawaii Revised Statutes, to (1) require repair dealers to have a registered or a registered and certified motor vehicle mechanic in their employ; (2) require the repair dealers to register a responsible managing employee; and (3) require the repair dealers to be licensed before advertising.

Testimony in support of the bill was provided by the Motor Vehicle Repair Industry Board.

Under present law no person is designated as responsible for work done in a licensed repair shop. There should be someone designated within the licensed entity to assume this responsibility.

Further, a repair dealer should have a registered or a registered and certified motor vehicle mechanic as a requirement for registering the repair shop. Pursuant to this bill shops will not be able to operate without having licensed mechanics in their employ.

This bill also prohibits unlicensed dealers without licensed mechanics in their employ from advertising as motor vehicle repair dealers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 285 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42 Consumer Protection and Commerce on H.B. No. 289

The purpose of this bill is to require an applicant who would otherwise be prescribed to take only a written examination be required to take the practical demonstration examination, to amend the grading method, to increase the re-examination fee, to amend the method of recognizing an applicant's practical experience, and to delete gender references and indefinite modifiers without attempting to make substantive changes.

Under present law Section 442-6, Hawaii Revised Statutes, states that an applicant who has passed the national board examination may be granted a license without taking the practical demonstration examination. This bill proposes to amend this by requiring an applicant who has passed the national board examination to take the practical demonstration examination administered by the Board of Chiropractic Examiners. Your Committee has adopted the recommendation of the Board of Chiropractic Examiners that there should be no exceptions.

Section 442-6 is further amended to delete the provision: "The board may grant a license to an applicant who has passed the national board of chiropractic examiners' examination, which examination may be accepted in lieu of the written examination provided for herein."

This provision exempts applicants who have taken and passed the national board examination from taking the practical examination. Your Committee has adopted the recommendation of the Board of Chiropractic Examiners that the applicant be required to take the practical examination.

Under Section 442-6, Hawaii Revised Statutes, the present grading method is done by totaling all parts of the examination. The applicant must attain a general average score of seventy-five percent or higher in order to pass and not go below sixty percent in more than two parts of the examination. This bill proposes to change the method of grading by requiring the applicant to attain a passing score of seventy-five percent or higher in all parts of the examination, since all parts are considered equally important.

This bill will increase the re-examination fee from \$25 to \$50. The fee of \$25 was established in 1957.

Section 442-6, Hawaii Revised Statutes, recognizes practical experience performed by a chiropractor who is licensed in another state by giving one percentage point for each year of practical experience to be added to his general average score. This bill proposes to reduce the one percentage point to one-half percentage point for each year of practical experience with a maximum attainable limit of twenty years. The total points of practical experience would be added to the total scores of each part of the

examination. Your Committee agrees with the Board of Chiropractic Examiners that the amount of one percentage point credit for each year of practical experience is excessive.

Finally, this bill will delete gender references and indefinite modifiers without attempting to make substantive changes.

Your Committee of Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 289 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43 Health on H.B. No. 100

The purpose of this bill is to hold the department of health responsible for administering a maternal and child health program to reduce infant and maternal mortality and otherwise promote the health of mothers and children.

Your Committee finds that existing laws fail to provide a broad directive for maternal and child health services. Hawaii Revised Statutes 321-31 limits maternal and child health programs to preventive services.

This bill would expand the scope of maternal and child health services under the department of health to include needs assessment, planning, coordinating, monitoring and evaluating health services for mothers and children. Such a leadership role would also establish the department of health as the responsible agency in Hawaii for the administration of federal Maternal and Child Health Block Grant funds.

A maternal and child health program in the department of health does not require direct services and thus does not carry any budget obligation for new programs. Your Committee finds that this program encourages the maximum use of all resources.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 100 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 44 Health on H.B. No. 114

The purpose of this bill is to establish a financial assistance fund for the hemophilia-related medical care and treatment of persons in this State suffering from hemophilia.

Your Committee finds that without outside financial assistance, the majority of hemophiliacs would have to go on welfare in order to receive treatment for this costly disease. Present medical expenses average about \$10,000 per year per patient, although one episode might cost as much as \$42,000 or more.

This bill provides that the department of health may administer this fund by contracting with a private, non-profit organization. Your Committee finds that for the past four years, grants-in-aid to a private agency have been administered by the department of health, with the agency handling the eligibility determinations and expenditure of funds, and the department monitoring the program.

Your Committee finds that the grants-in-aid process has been replaced this year with budgetary procedures under chapter 42 of the Hawaii Revised Statutes, requiring organizations to request funds through state departments for inclusion in the executive budget. Thus, this bill is amended by deleting section 3, which appropriates \$130,000 for the financial assistance fund established by this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 114, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 45 Health on H.B. No. 70 (Majority)

The purpose of this bill is to establish legal recognition of the right of an adult to make a written directive instructing that adult's physician to withhold or withdraw life-sustaining procedures in the event of a terminal condition.

This bill is similar to H.B. 101 and H.B. 168, all of which establish a system by which a person could request that his or her life not be prolonged artificially when death from his or her current illness is inevitable. Your Committee finds that present laws do not provide for such a system and that there is a need for legislation addressing this issue.

Your Committee on Health is in accord with the intent and purposes of H.B. No. 70 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Andrews, Morgado, Tam and Jones did not concur.)

SCRep. 46 Health on H.B. No. 74

The purpose of this bill is to establish a poison control and drug information office within the department of health.

Your Committee finds that a private agency has provided the services described in this bill for 26 years, with grants-in-aid from the state and from federal resources. Your Committee finds that the existing program is a more cost effective alternative to a new, publicly-run program in the department of health.

Your Committee has amended this bill to require the department of health to contract for the services described in this bill, including a twenty-four hour statewide toll-free "hot line", community education programs, and a statewide data collection system. Page 1, lines 12, 13, and 14, have been amended to read: "The director of health shall establish within the department of health a poison control and drug information office; provided that the department of health may contract with a private, nonprofit organization to carry out this function."

Because the grants-in-aid process has been replaced this year with new budgetary procedures under Chapter 42 of the Hawaii Revised Statutes, your Committee has amended the bill by deleting section 2 and section 3. These sections provide for the appropriation of funds for the poison control and drug information program, and their expenditure by the department of health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 74, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 74, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47 Housing on H.R. No. 25

The purpose of this resolution is to request the House Committee on Housing to study the rental housing problem in Hawaii, especially for the low- and moderate-income groups. Federal, state, and county agencies, and the private sector are requested to assist in the examination and review.

Your Committee finds that Oahu's rental housing market is already characterized by low vacancy rates and escalating rents. In addition, the cessation of the major federal rental unit construction program will result in an increase in the shortage and review of the problems attendant to promoting and providing affordable rental housing and possible alternative solutions are needed.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 25 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 48 Housing on H.R. No. 23

The purpose of this resolution is to request the Hawaii Housing Authority to examine alternatives and to develop legislation regarding methods by which to provide assistance to low- and moderate-income families in purchasing their first home.

Your Committee finds that the Hula Mae mortgage loan program has been very successful in assisting first-time home buyers. However, federal legislation currently includes a sunset provision that will end the funding source (tax-exempt bonds) for the program on December 31, 1983. Your Committee, therefore, finds that alternative programs should be explored and specific legislation should be developed.

Your Committee has amended this resolution to clarify that the "gap group" includes both low- and moderate-income families and to express support of work that the Hawaii Housing Authority has done in this area in the past.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 23, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 23, H.D. 1.

Signed by all members of the Committee.

SCRep. 49 Housing on H.C.R. No. 18

The purpose of this concurrent resolution is to request the Hawaii Housing Authority to examine alternatives and to develop legislation regarding methods by which to provide assistance to low- and moderate-income families in purchasing their first home.

Your Committee finds that the Hula Mae mortgage loan program has been very successful in assisting first-time home buyers. However, federal legislation currently includes a sunset provision that will end the funding source (tax-exempt bonds) for the program on December 31, 1983. Your Committee, therefore, finds that alternative programs should be explored and specific legislation should be developed.

Your Committee has amended this concurrent resolution to clarify that the "gap group" includes both low- and moderate-income families and to express support of work that the Hawaii Housing Authority has done in this area in the past.

Your Committee on Housing is in accord with the intent and purpose of H.C.R. No. 18, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 18, H.D. 1.

Signed by all members of the Committee.

SCRep. 50 Judiciary on H.B. No. 18

The purpose of this bill is to make an appropriation to fund the Aid to Victims Coordinator Program in the State of Hawaii under the direction and administration of the prosecuting attorneys of each of the counties.

Working with other state agencies, the Aid to Victims Coordinator Program serves to reduce trauma and frustration felt by crime victims and witnesses as they interact with the criminal justice system. Testimonies were submitted by each county program which reflect the invaluable service performed.

The City and County of Honolulu did not previously apply for State funding, since Federal and City and County funds were used. Testimony shows that the City and County of Honolulu has 79% of the state's population and 79% of the criminal cases. It is requesting funds for the fiscal year 1983-84.

Your Committee has amended the bill to reflect the following appropriations:

1. Hawaii County.....\$70,000
2. Kauai County.....\$35,000
3. Maui County.....\$35,000
4. City and County of Honolulu...\$100,000

Testimony from the Attorney General's Office recommends making direct appropriations

to the counties. The bill is amended to reflect this recommendation.

In section 1, Line 3, your Committee has inserted the word "direction" for "director" to correct a typographical error.

Your Committee is requiring an annual report from each of the counties to be submitted to the Judiciary Committee on the proposed budget request including the amount to be funded by each of the counties and a report on expenditures at the end of each fiscal year.

Further, your Committee recognizes the importance of the Aid to Victims Coordinator Program but expects each county, particularly Maui County, to participate in the program funding. Your Committee feels that programs such as these should eventually be funded entirely by each of the counties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 18, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51 Health on H.B. No. 106 (Majority)

The purpose of this bill is to impose a moratorium on the establishment of new acute care beds.

Your Committee finds that hospitals face the problem of an appropriate utilization of existing acute care beds, rather than a need for new acute care beds.

Testimony from the State Health Planning and Development Agency (SHPDA) indicates that the projection of acute care bed demand between 1983 and 1985 are too broad to establish an accurate assessment of need. For example, SHPDA estimates that perhaps 94 to 306 new acute care beds may be needed on Oahu between 1983 and 1985.

Your Committee finds that a significant number of acute care beds are occupied by patients who no longer require acute care beds but cannot be transferred to nursing care facilities because of the lack of nursing care beds.

Your Committee finds that the present cost of maintaining an empty acute care bed is not much different from the cost of caring for a patient occupying a bed. In addition, the cost of maintaining an empty acute care bed and paying for its portion of the debt service is passed on to patients occupying beds, or to some other revenue generation operation of the hospital.

The bill provides that the state agency withdraw each certificate of need issued after December 31, 1982. Since the existing certificate of need process for current applications will not be completed until after this bill would take effect, this retroactive clause is unnecessary.

Your Committee has amended the bill by deleting subsection (c) at page 9, lines 3-9, which provides for retroactive application. For purposes of consistency, subsection (d) on page 9 has been replaced with its original designation, subsection (c).

Your Committee on Health is in accord with the intent and purpose of H.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 106, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Morgado and Shito did not concur.)

SCRep. 52 Health on H.B. No. 29

The purpose of this bill is to establish a special fund consisting of general funds appropriated for public hospitals in the department of health.

Presently, appropriations for public hospitals lapse at the end of each fiscal year with unexpended moneys returned to the state general fund. Resulting cash flow problems for public hospitals include the inability to replace equipment. The special fund would allow the carry-over of appropriations from one fiscal year to the next.

Your Committee finds that this bill increases the department's efficiency in administering funds.

However, the bill in its original form does not specify the nature of expenditures by the department of health and it does not provide for the department's accountability to the legislature. Your Committee finds that these provisions are necessary for efficient, effective utilization of the special fund. Thus, a new paragraph has been inserted on page 3, after subsection (2)(e), designated as subsection (2)(f), that reads:

"(f) Expenditures authorized by this section shall be for regular and routine operations of the hospital and not for the purchase of new equipment nor for expansion of staffing. The department of health shall submit an annual report to the legislature on the status of the special fund."

This bill provides that the unexpended and unencumbered balance in a special fund at the end of a fiscal year may be expended during the next fiscal year, upon approval of the governor. Your Committee has adopted the recommendation of the department of health to transfer funds throughout the year instead of at the end of a fiscal year, and to specify that special funds may be carried over from one fiscal year to another. Page 2, lines 8 to 13, are amended to read:

"(c) Whenever the special fund of a public hospital contains unexpended and unencumbered special funds, the department of health may expend the special funds for the operation and maintenance of the public hospital without specific legislative appropriation, or these moneys will remain in the special fund of the hospitals to be used by the hospitals from one fiscal year to another; provided that:"

Your Committee has also amended wording in this section pertaining to the governor's approval, in order to clarify that the governor approves the allotment but not the expenditure from the special fund. Thus, the word "expenditure" on page 2, subsection (c)(2), line 16 and line 18, has been replaced with the word "allotment".

Grammatical errors have been corrected. On page 3, line 2 and line 5, the plural verb "are" has been replaced with the singular verb "is".

Your Committee on Health is in accord with the intent and purpose of H.B. No. 29, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 29, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53 Energy, Ecology and Environmental Protection on H.B. No. 50

The purpose of this bill is to appropriate the sum of \$300,000, or so much thereof as may be necessary for fiscal year 1983 - 1984, and the sum of \$300,000, or so much thereof as may be necessary for fiscal year 1984 - 1985, to the Hawaii Natural Energy Institute (HNEI) for natural energy research, development and demonstration.

Your Committee finds that over the past decade, the HNEI has provided focus, visibility, and support for the development of alternatives to the use of imported oil. During its brief history, the HNEI has received support from the University of Hawaii as well as the Department of Planning and Economic Development. This input and support assures that alternate energy research and demonstration is relevant to the development of Hawaii's renewable energy resources. In view of the State's continuing vulnerability to the global energy market, your Committee finds that the HNEI's role to explore renewable energy resources is vital to the future of Hawaii's economy.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. 50, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 54 Health on H.B. No. 99

The purpose of this bill is to create a Medicaid third party liability recovery unit to augment current efforts of the department of social services and housing in pursuing

and recovering medical or burial payments in full or in part from third party resources.

Presently, the department's third party collection system and operations are fragmented and not fully effective. For example, the department is unable to pursue potential payment recovery sources such as questionable decisions by insurance companies and duplicate provider payments such as those that occur in worker's compensation claims.

Your Committee finds that there are approximately three methods of implementing a third party recovery operation: creating a new unit within the department of social services and housing, accepting bids from an independent contractor, or accepting bids from a health maintenance organization under contract with the department.

A new unit within the department of social services and housing would require approximately \$100,000 to implement. Your Committee has amended the bill by inserting this figure on page 2, section 3, line 2, appropriating the money out of the general revenues of the state.

Your Committee finds that contracting for services outside the department of social services and housing would require a smaller appropriation but would also require that a percentage of recoverable collections, presently \$1.8 million, to be paid to the contractor each year.

Your Committee finds that the department is best suited to determine the method of implementing a third party recovery operation but urges the department to seek the most economical means of implementation.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 99, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 99, H.D. 1.

Signed by all members of the Committee.

SCRep. 55 Ocean and Marine Resources on H.B. No. 57

The purpose of this bill is to support the development of aquaculture by providing additional funds for the Hawaii Aquaculture Revolving Loan Fund (AGR 102) created by section 219-4 of the Hawaii Revised Statutes.

Aquaculture in Hawaii, although growing, remains a relatively new and high-risk industry and has yet to meet its full commercial development potential. In view of the degree of risk involved, many private lenders or investors are understandably hesitant to approve loans or offer investment capital for aquaculture ventures, particularly for those with a relatively short track record.

Your Committee finds that the Aquaculture Loan Program provides necessary start-up capital for entrepreneurs in the field of aquaculture to encourage the development of a vital aquaculture industry.

Your Committee has heard testimony anticipating an increase in requests for large-scale loans under this program and recognizes that a sufficient appropriation is necessary to service this increase. Your Committee also recognizes the impact of inflation on construction and operating costs and believes that the appropriation request is insufficient to provide adequate assistance.

Your Committee, upon consideration, has therefore amended this bill by providing an appropriation of \$500,000 for fiscal year 1983-1984 and \$500,000 for fiscal year 1984-1985.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 57, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 57, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 56 Finance on H.R. No. 31

The purpose of this resolution is to request the Board of Education to develop and adopt objective criteria and review the procedures to ensure the appropriate consolidation

of underutilized schools by the end of the 1983 session. Also, once the criteria have been adopted, the Board is requested to develop a plan for school consolidation and report on that plan and timetable prior to the convening of the 1984 legislative session.

Your Committee finds that the underutilization of schools is the result of declining student enrollment over the past several years. Your Committee agrees that this underutilization problem should be corrected. Better planning, coordination and efficiencies must be introduced into the school facilities program.

Your Committee agrees with the concerns and findings expressed in House Standing Committee Report No. 38. While the consolidation of schools is a sensitive matter and one which all officials would like to avoid, your Committee supports the recommendation that the consolidation of underutilized schools be achieved with all due speed. While appropriate consideration should be given to noneconomic factors, those factors should not be permitted to obscure and delay the consolidation of schools. Your Committee further agrees that continuing to keep underutilized schools open is a perpetuation of services to a favored few. Finally, the funds saved can be put to better use toward the efficient operation of schools.

Your Committee requests that the reports by the Board of Education be submitted in accordance with this Resolution.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 31 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 57 Consumer Protection and Commerce on H.B. No. 286

The purpose of this bill is to clarify and update existing language in order to conform to current department references and operation and to eliminate gender references. In addition, this bill eliminates the existing board member "secretary" and "treasurer" positions; assigns a department executive secretary to service the board; establishes a minimum of 4 board meetings a year; removes the references to a specific day and month when meetings will be held; and eliminates the requirement that 2 board members be from the outside islands.

Testimony in support of the bill was provided by the Board of Barbers.

Your Committee is in agreement with this bill; however, it should be specified that the board shall meet at least once every three months. The bill, therefore, has been amended to provide for one board meeting at least every three months.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 286, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58 Public Employment and Government Operations on H.B. No. 588 (Majority)

The purpose of this bill is to revise Chapter 89 of the Hawaii Revised Statutes to require class size in the public schools to be determined through the collective bargaining process.

Under present law Chapter 89 permits only the setting of a state class size ratio which has been set at 26.15 students to each regular education teacher. It also means that while some classes may be very small, others are, of necessity, very large.

According to testimony, this issue can best be achieved through the collective bargaining process between the Department of Education and the union.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 588 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Kim, Stanley and Anderson did not concur.)

SCRep. 59 Water, Land Use, Development and Hawaiian Affairs and Judiciary
on H.B. No. 548 (Majority)

The purpose of this bill is to clarify the types of items subject to seizure and forfeiture when used or possessed in violation of Title 12, Hawaii Revised Statutes, and rules. The bill also provides for the option of the Department of Land and Natural Resources to retain and use the forfeited property when declared by the court to be forfeited to the State in accordance with the procedure set forth in the Hawaii Penal Code.

According to testimony, the intent of H.B. No. 548 is similar in effect to Section 329-55, Hawaii Revised Statutes, which addresses forfeitures under the Uniform Controlled Substances Act; and to federal statutes which provides for forfeitures and use of forfeited equipment and property. Violations of Title 12, statutes, and rules in Hawaii continue to plague the Department of Land and Natural Resources despite its enforcement actions against violators. Examples of violations include the use of helicopters, commercial fishing vessels, and other vehicles used to hunt during night hours and to cart off game taken illegally.

Your Committees are in agreement with the intent and purpose of the bill but deem it further necessary for the Department of Land and Natural Resources to submit in its annual report a list of such seized and forfeited items retained and used by the Department. An amendment to H.B. No. 548 has been made to address this necessity.

Moreover, your Committees find that the proposed amendments in the bill, between lines 3 and 16, page 1, and between lines 1 and 14, page 2, have not been properly underscored. Therefore, it is necessary to submit the house draft on H.B. No. 548 wherein all proposed amendments are properly underscored.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of H.B. No. 548, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 548, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Hashimoto, Okamura and Isbell did not concur.)

SCRep. 60 Water, Land Use, Development and Hawaiian Affairs and Agriculture
on H.B. No. 646

The purpose of this bill is to place responsibility of monitoring the operations within agricultural parks in the Department of Agriculture, in order to ensure that lessees comply with the agricultural intent of the park development and the conditions of the lease, and require the Department to report any violation of park lease agreement to the Board of Land and Natural Resources for enforcement action pursuant to Section 171-114, Hawaii Revised Statutes.

Under present law the Board of Land and Natural Resources is vested with the responsibility of developing and administering agricultural parks. According to testimony, the Department of Land and Natural Resources has already instituted an inspection program, utilizing its district land agents and the agricultural resource specialist, in which the park leases are inspected at least once by the end of the fiscal year.

Your Committees find that the Department of Agriculture personnel would be more capable than Department of Land and Natural Resources personnel in monitoring the operations of the agricultural parks. Such operations are not only of an administrative nature but also of a highly technical nature requiring lessees' compliance with the agricultural intent of the park development and the conditions of the leases. It is expected that agriculture expertise is a prerogative of the Department of Agriculture.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture are in accord with the intent and purpose of H.B. No. 646 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Souki.

SCRep. 61 Agriculture on H.B. No. 46

The purpose of this bill is to appropriate funds for the promotion of pineapples.

Your Committee has received testimony strongly in support of this bill from the Chairman of the Board of Agriculture, the Hawaii Farm Bureau Federation, and Pineapple Growers Association of Hawaii.

In order to assist the industry in expanding the fresh pineapple market, the 1982 Legislature appropriated \$200,000 for promotional activities directed at the western United States.

Your Committee finds that the first half of this promotion program was highly successful with fresh pineapple exports increasing by 56% during the peak supply periods of August and September, 1982.

Your Committee also finds that while this promotion program is proving to be successful, continued support is required to further promote fresh pineapple in market areas not covered by the current promotion activities.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 46 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 62 Agriculture on H.B. No. 45

The purpose of this bill is to appropriate funds for various research necessary to keep the Hawaiian sugar industry economically viable.

Your Committee has received testimony in support of this bill from the Chairman of the Board of Agriculture, the Hawaii Farm Bureau Federation, the Vice President-Director of the Hawaiian Sugar Planters' Association Experiment Station, and the President and General Manager of the Waialua Sugar Plantation.

Your Committee finds that the \$3 million appropriated by the Legislature in 1982 for research has greatly assisted the sugar industry in minimizing its losses by offsetting the direct costs of research.

Your Committee further finds that an appropriation short of \$3 million will require additional contribution from the sugar industry to maintain the current level of research.

Your Committee has therefore amended this bill by changing the amount appropriated in Section 2 from "\$2,300,000" to "\$3,000,000".

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 45, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 45, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 63 Agriculture on H.B. No. 42

The purpose of this bill is to allow the Department of Agriculture to sample and test for adulteration all feed materials for animals, other than dogs, cats, or other domestic pets, and remove any adulterated feed material from sale. This bill also provides an appropriation for this purpose.

Your Committee finds that testing of feed materials, as provided for in this bill, is of major import to the health and welfare of Hawaii's population.

Your Committee also finds that current provision for criminal penalties does not allow the Department of Agriculture to take immediate action once violations of Chapter 144, Hawaii Revised Statutes, are discovered.

Your Committee has received testimony from the Chairman of the Board of Agriculture in support of this bill. The Chairman requested deletion of the section dealing with an appropriation of funds. The testing for feed adulteration will be accomplished coincident with nutritional analyses currently under contract with the University of Hawaii during Fiscal year 1983-1984. Future funding will be requested through the regular budget process.

Your Committee has amended this bill by deleting the section on appropriations.

Your Committee has also amended this bill by providing for administrative penalties on violators of Chapter 144, Hawaii Revised Statutes. The purpose of this bill has been revised to reflect the above changes.

Your Committee has amended this bill to reflect the above findings and to correct drafting errors in the original bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 42, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 42, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 64 Housing on H.R. No. 22

The purpose of this resolution is to encourage the President and Congress of the United States to support legislation allowing continuation of the use of tax-exempt revenue bonds as the primary source of funds for the Hula Mae mortgage loan program through extension or elimination of the sunset clause of the Mortgage Subsidy Bond Tax Act of 1980. The Mortgage Subsidy Bond Tax of 1980 specifies that tax-exempt revenue bonds, for the purpose of financing mortgage loans, may not be issued after December 31, 1983.

Your Committee finds that the Hula Mae mortgage loan program has been very successful in providing mortgage loans at affordable interest rates. The source of funding for this program has been tax-exempt revenue bonds; without federal authorization to issue these bonds, the program will end.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 22 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 65 Housing on H.C.R. No. 17

The purpose of this concurrent resolution is to encourage the President and Congress of the United States to support legislation allowing continuation of the use of tax-exempt revenue bonds as revenue bonds as the primary source of funds for the Hula Mae mortgage loan program through extension or elimination of the sunset clause of the Mortgage Subsidy Bond Tax Act of 1980. The Mortgage Subsidy Bond Tax of 1980 specifies that tax-exempt revenue bonds, for the purpose of financing mortgage loans, may not be issued after December 31, 1983.

Your Committee finds that the Hula Mae mortgage loan program has been very successful in providing mortgage loans at affordable interest rates. The source of funding for this program has been tax-exempt revenue bonds; without federal authorization to issue these bonds, the program will end.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 66 Agriculture on H.B. No. 43

The purpose of this bill is to define agricultural product promotion and market development as functions of the Department of Agriculture. In addition, this bill authorizes the Department to adopt administrative rules governing agricultural product promotion activities.

The existing law does not expressly authorize the Department of Agriculture to adopt administrative rules to implement product promotion or other contracts, although the law permits the Department to contract with organizations. This bill would provide the Department with the authority to prescribe rules for eligibility, preference, priority and conditions under which agricultural product promotion, research, and facilities development and management activities may be undertaken.

Your Committee received testimony from the Chairman of the Board of Agriculture in support of this measure. According to the testimony, on April 16, 1982, by Executive Order 82-2, the Governor transferred the agricultural product promotion and market development functions from the Department of Planning and Economic Development to the Department of Agriculture pursuant to Act 98, SLH 1981. However, the Hawaii Revised Statutes has not been amended to reflect this change.

Your Committee has amended Section 141-2 of the bill to more specifically define these rules and to require coordination with the Governor's Agriculture Coordinating Committee. Subsection 4 of Section 141-2 has been amended to read as follows:

"The procedures and methodology under which State funds are allocated for agricultural product promotion and research and guideline standards for the operations and management of agricultural marketing facilities and organizations funded by the State, after coordinating with the Governor's Agriculture Coordinating Committee."

Your Committee has also adopted the recommendations of the Department of Agriculture by deleting the words "and regulations" from the phrase "rules and regulations" in the following lines of Section 141-2:

(a) page 3, lines 11 and 13;

(b) page 4, line 16; and

(c) page 5, following subsection 4 a sentence was inadvertently omitted from H.B. No. 43. The omitted sentence should have read: "All rules and regulations made as aforesaid, shall have the force and effect of law."

According to the Department of Agriculture, this amendment would improve the Department's supervision of Section 141-2 by permitting the assessment of administrative penalties to all subsections.

Your Committee further amended this bill to correct technical drafting errors. H.B. No. 43 as received by this Committee omitted amendments to Section 26-16 enacted by Act 147-82.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 43, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 43, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 67 Energy, Ecology and Environmental Protection on H.B. No. 6

The purpose of this bill is to implement Article VII, Section 12 of the Constitutional Convention of 1978, pertaining to the authorization for the issuance of special purpose revenue bonds by the counties to assist a processing enterprise consisting of the design, acquisition, coordination, installation or modification of pollution control projects for the disposal of solid waste. This bill will establish a means whereby such pollution control projects can be financed through the issuance of special purpose revenue bonds.

Your Committee finds that one of Honolulu's major problems is the disposal of solid waste. Up to 1,000 acres of land would be needed for land fill sites over the next 30 years to meet projected requirements. Whereas Honolulu's land mass is finite, it is imperative that we conserve and extend the life of our diminishing sanitary landfill areas. This bill will assist in the development of a facility that will dispose of solid waste, as well as generate electricity.

Your Committee has amended H.B. No. 6 as follows:

1. The phrase "conforming to the reserved right and privilege shall then rank on such parity as to security and source of payment. All special purpose revenue bonds of the same issue shall be equally and ratably secured without priority by reason of" has been included on page 24, line 19 after the word "bonds".

2. A spelling error has been corrected on page 18, line 6 by changing "procees" to "proceeds".

Your Committee on Energy, Ecology, and Environmental Protection is in accord with

the intent and purpose of H.B. No. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 6, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 68 Energy, Ecology and Environmental Protection on H.B. No. 49

The purpose of this bill is to amend Section 235-12, Hawaii Revised Statutes, by: substituting all references to "solar or wind devices and heat pumps" with the term "energy devices"; establishing an effective period between December 31, 1982 and December 31, 1985; and requiring that the Director of Taxation adopt rules enumerating specific energy devices for which a credit may be claimed.

Your Committee finds that in our State, which is over 90 per cent dependent on the flow of imported oil costing over \$1.5 billion per year, the installation of both energy-saving devices and renewable energy-based electrical generating equipment represents an important economic and social benefit to the State and its people. This bill will broaden the base upon which energy tax credits may be claimed, thereby providing greater incentives toward the utilization and expansion of renewable energy technology.

Your Committee has received testimony expressing concern in regard to the confusion that may ensue as a result of the misinterpretation of the term "energy device". Therefore, H.B. No. 49 has been amended to further clarify its intent and purpose by providing a firm definition of the term "energy device" and by securing the stability of the tax credit presently available for the installation of solar, wind, or heat pump devices.

Your Committee has amended H.B. No. 49 by:

- (1) inserting the phrase: "as defined in this section" on page 1, line 9 after the word "energy device".
- (2) inserting the phrase: "or \$50,000 which ever is less" after the word "device" on page 1, line 10.
- (3) inserting the phrase: "in the case of energy devices other than solar hot water heaters, heat pumps, and wind energy devices," after the word "that" on page 2, line 12.
- (4) deleting the phrase: "for heating or cooling." after the word "fuel" on page 3, line 22.
- (5) inserting the phrase: "for the production of electrical power; including: heat pumps, solar wind energy devices, photo-voltaics, geothermal, hydro-electric, biomass, solid waste energy recovery, heat exchangers, co-generation equipment, insulation for the outside of a hot water heater, and insulation for the outside of hot bare pipes." after the word "fuel" on page 3, line 22.
- (6) deleting the phrase: "in home water heaters" on page 4, line 3.

Your Committee on Energy, Ecology, and Environmental Protection is in accord with the intent and purpose of H.B. No. 49 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 49, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 69 Energy, Ecology and Environmental Protection on H.B. No. 103

The purpose of this bill is to establish a residential solar energy and heat pump device revolving loan fund to be administered by the Department of Planning and Economic Development to encourage and promote the installation and use of solar energy and heat pump devices.

Your Committee finds that individuals who are most in need of relief from high utility costs are frequently those people who are unable to qualify for conventional financing toward the purchase of solar or heat pump equipment. Currently, most tax credits are utilized by individuals who are in the middle and upper income brackets. This

bill will establish a means whereby individual families with a combined income of no more than \$20,000 may apply for low interest loans toward the purchase of solar energy or heat pump devices.

Your Committee has amended H.B. No. 103 to extend the proposed loan ceiling of \$2,500 to an amount not to exceed \$4,000. This provision will permit borrowers to consider a wider range of solar or heat pump products to suit the varied needs of individual families. Larger families requiring bigger capacity or more efficient solar or heat pump devices will be better able to afford the higher price tag associated with such devices. Also, your Committee has deleted the paragraph: "The department may define or limit the types of residential structures for or with respect to which loans may be made, but no loan shall be made for structures containing more than four dwelling units." from page 4, line 7, to eliminate the proposed restrictions upon such structures.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 103, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 70 Energy, Ecology and Environmental Protection on H.B. No. 203

The purpose of this bill is to increase the existing 10 per cent energy tax credit available for the installation of solar, wind, and heat pump devices to 20 per cent; and, to delete the words "Hawaii State" in reference to individual or corporate net income tax. Your Committee finds that Hawaii's 90 per cent dependence upon imported petroleum, along with unstable oil prices, and the outflow of more than \$1 billion in oil payments per year, threatens the stability of our local economy and our ability to serve energy needs over time. Support and assistance for private sector activities to develop local energy resources will reduce our dependence upon the world oil market, improve the State's balance of payments, and thus promote economic development, and increase the number and diversity of employment opportunities.

Your Committee finds that in states such as California and Montana, where energy tax credits are available up to 25 per cent, solar and wind energy projects have made significant advances. With the present uncertainty of the global oil situation, Hawaii must initiate similar strides to begin to attract the needed investments in renewable forms of energy that lessen our dependence upon imported oil, to thereby, secure our energy future.

Your Committee has received testimony expressing concern in regard to initiating an increase in the energy tax credit during this time of fiscal austerity. House Bill No. 203 has thus been amended on page 3, line 3 to allow a tax credit in an amount not to exceed "15 per cent" on the total cost of the device or heat pump.

Your Committee on Energy, Ecology, and Environmental Protection is in accord with the intent and purpose of H.B. No. 203 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 203, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71 Energy, Ecology and Environmental Protection on H.B. No. 267

The purpose of this bill is to amend Chapter 125-C, Hawaii Revised Statutes, to: (1) redefine a petroleum shortage to include products other than gasoline and tie the definition to gaps between supply and demand rather than annual decreases in supply, and (2) to expand the Governor's powers during a shortage; and (3) to establish by State law, a hardship set-aside allocation of petroleum products during a shortage.

Your Committee finds that Section 125-2, Hawaii Revised Statutes, currently defines a shortage only in terms of a decrease in the supply of gasoline. Pursuant to this statute, Hawaii has experienced "shortages" since 1981, simply because of a decrease in demand due to greater conservation efforts on the part of Hawaii's people. There were no actual shortages during this period. H.B. No. 267 would define a shortage in terms of a gap between supply and demand over a wider range of petroleum products.

Your Committee further finds that a set-aside program for the control of a small portion

of available fuels during a petroleum products shortage is essential for the maintenance of the health, safety, and welfare of the people of Hawaii. During the first six months of the 1973-74 shortage experience, Hawaii's federally authorized set-aside program avoided an estimated \$10 million potential loss in income and the probable failure of over 100 businesses. However, with the expiration of the federally authorized program in 1981, your Committee finds that the State must establish its own statutory basis for an emergency set-aside system.

Your Committee has received testimony from the Department of Planning and Economic Development, the Hawaiian Electric Company, the Airlines Committee and several major suppliers of petroleum products. House Bill No. 267 has been amended as follows:

1. Section 125C-2
 - the phrase "and may not be responsibly managed within the free market distribution system. The Governor shall review the status of a shortage within 120 days after his initial determination of a shortage as defined under this chapter; thenceforth, the Governor shall conduct a review of the shortage to make a new determination every 30 days until a shortage no longer exists." has been inserted after the word "Hawaii" on page 3, line 15.
2. Section 125C-3
 - the phrase "not to exceed 5 percent" has been inserted after the word "products" on page 6, line 3.
3. Section 125C-7
 - the phrase "provided that moneys may be received and expended during periods when a shortage has not been declared by the governor; and" has been deleted from page 9, line 2 after the word "fund;".
 - the word "further" has been deleted from page 9, line 4 after the word "provided".
4. Section 125C-12
 - the phrase "and aviation fuels." has been deleted from page 10, line 10 after the word "kerosene".
 - the word "and" has been inserted on page 10, line 10 after the word "oils,".
 - the phrase ", except for aviation fuels." has been inserted after the word "kerosene" on page 10, line 10.

Your Committee on Energy, Ecology, and Environmental Protection is in accord with the intent and purpose of H.B. No. 267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 267, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 72 Energy, Ecology and Environmental Protection on H.B. No. 329

The purpose of this bill is to amend Chapter 235-12, Hawaii Revised Statutes, by deleting the restriction that limits the available income tax credit for heat pumps to such devices installed exclusively within home water heaters. This bill will allow a tax credit for the installation of a heat pump for commercial as well as domestic purposes.

Currently, the tax credits allowed for solar and wind energy devices are not restricted to those devices used only in the home. Therefore, the tax credit allowed for heat pumps should be available on the same basis. Your Committee finds that such an incentive would serve the best interest of the State in terms of energy conservation.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 329, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 73 Health on H.B. No. 651

The purpose of this bill is to reduce or stabilize health care costs by mandating the Department of Health to review such costs.

Your Committee is in accord with the intent and purpose of H.B. No. 651 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 74 Health on H.B. No. 547

The purpose of this bill is to allow the Department of Health flexibility to adjust work assignments of health aides in the public schools so as to equalize work load and direct services to schools where they would most be needed.

Your Committee finds that at present, every school in the public school system is required to have one full-time health aide. Because of this, larger schools are understaffed as compared with smaller schools. This bill would alleviate this imbalance by requiring only a part-time health aide at each school. Thus, the Department of Health may reassign health aides to work part-time at different schools, allowing for more support at schools with particular need while maintaining a minimum level of support for smaller schools without significantly increasing staff.

Your Committee amended H.B. No. 547 to eliminate reference to rules adopted by the Department. Your Committee feels that this measure is self-implementing, and it is therefore not necessary to grant the Department of Health rulemaking power under this section.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 547, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 75 Health on H.B. No. 546

The purpose of this bill is to raise the compensation of patient employees at Hansen's disease facilities to minimum wage rates.

Your Committee has amended this bill to require the consent of a patient and his or her physician before that patient may be employed by the Department of Health. This requirement is in the present statute but was inadvertently deleted in the original draft of this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 546, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 76 Health on H.B. No. 502

The purpose of this bill is to mandate the testing of all newborn infants in Hawaii for congenital hypothyroidism and to direct the department of health to adopt rules concerning administration of the tests, record keeping and the reporting of positive test results. The bill also repeals the mandatory screening of newborn infants for phenylketonuria (PKU).

Your Committee finds that the existing screening program for PKU should be maintained. The program detected two newborn infants with the disease and thus allowed early treatment to prevent severe mental retardation. With increased immigration, it is expected that more cases will be detected in coming years.

Your Committee has amended the bill by deleting section 2 which repeals Chapter

333-1, Hawaii Revised Statutes, concerning mandated newborn screening for PKU.

Your Committee finds there is a need for congenital hypothyroidism testing. Like PKU, congenital hypothyroidism can lead to severe mental retardation and a lifetime of dependency. Tests for both diseases can be conducted with a single blood sample from the newborn infant. Your Committee has amended the bill to add congenital hypothyroidism to the mandate for testing of newborn infants.

Rather than add a new part to Chapter 321, Hawaii Revised Statutes, your Committee has amended Chapter 333-1, Hawaii Revised Statutes, adding congenital hypothyroidism to the mandate for PKU testing of newborn infants. Thus, references to Chapter 333-1 replace Chapter 321 on line 1 page 1 and on line 5 page 1, and attendant references to a new part of Chapter 321 are deleted.

The heading of line 3 page 1 is amended to read: "Part 1. PHENYLKETONURIA AND CONGENITAL HYPOTHYROIDISM", as is the section title of line 5. Your Committee in Section 1 of H.B. No. 502 has included the statutory language "[cause a phenylketonuria test to be administered to the child; provided, that this section shall not apply]" that is found at page 1, line 7 and 8, which was inadvertently omitted in the original bill. The substance of this deleted phrase has been reworded for simplicity of syntax and grammar and "congenital hypothyroidism" has been added to the required test administered to newborn children. These additions can be found at page 1, line 9 to 11. Your Committee has made other non-substantive changes which appear at page 1, lines 15 and 16, page 2, lines 1 through 6.

Section 2 is amended to mandate a registry maintained by the department. Your Committee finds that a screening program would not be effective without a registry to ensure that all newborn infants are tested, that positive test results are tracked, and diagnosed cases are treated.

The bill is amended in section 3 to provide funding for the registry. Your Committee finds that approximately \$25,000 is needed for a registrar position, access to a data retrieval system and office expenses.

For the purposes of consistency, the last section of the bill which concerns the effective date of the Act, is renumbered from section 3 to section 4. Misspellings of "hypothyroidism" are corrected throughout the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 502, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 77 Health on H.B. No. 244

The purpose of this bill is to eliminate the fee schedule and residency requirement for licensing undertakers, embalmers and funeral directors as adopted under Chapter 469 Section 469-1, 469-2, 469-3, 469-4 Hawaii Revised Statutes.

Your Committee finds that the fee schedule established in the Hawaii Revised Statutes for these professions has not been revised since its adoption under Chapter 469. It will be replaced with a timely fee schedule established through the administrative rule-making process. The provision regarding the one-year residency requirement for an embalmer's license has been deleted to conform with the Deputy Attorney General's written opinion that it is unconstitutional.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 244 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 78 Health on H.B. No. 242

The purpose of this bill is to exempt the use of credit cards for hospital payments from the provisions of Hawaii Revised Statutes, Section 40-35 Payment to State under protest.

Your Committee finds that public hospitals are unable to negotiate for credit card services due to a conflict between State law, HRS Section 40-35, and federal regulation "Z", Section 226.13(i). State law holds that money paid to the state under protest must be adjudicated in court while federal law holds that a disputed payment may be withheld by a cardholder to his/her credit company.

Since disputes between the hospital and its patients may arise after the credit card company has made payment to the state, credit card companies are concerned that they may incur financial losses from disputes between a hospital and its patient over hospital charges. Thus, credit card companies are reluctant to service public hospitals. An amendment to Section 323-35, HRS, exempting credit card companies from the state statute, would settle the conflict between federal and state law.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 242 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 79 Health on H.B. No. 93 (Majority)

The purpose of this bill is to establish a hospital rate agency in order to provide for health cost containment in a uniform manner.

Your Committee finds that hospital rate setting may be premature, given the range of alternate strategies for cost containment being developed and/or implemented across the country.

Your Committee finds that health care in Hawaii cost approximately \$360 million in 1981. In recent years, increases in hospital costs consistently and considerably outpaced the underlying rate of inflation, reaching levels as high as 20 per cent a year. For example, the average daily charge to hospital patients was \$99 per day in 1972, \$219 per day in 1977 and \$506 per day in 1982.

Your Committee finds that enormous, steady hospital cost increases must be contained and that the most effective approach is to change the system of reimbursements by all third party payors to all nonfederal hospitals in the state.

Your Committee has amended the bill by replacing its content with language mandating the state health planning and development agency to devise a prospective payment plan.

The attendant staffing and equipment requirements for the agency's active review of reimbursement approaches are beyond the agency's present capabilities. Your Committee has amended the bill by inserting a request for appropriations in the amount of \$75,000.

Your Committee on Health is in accord with the purpose and intent of H.B. No. 93, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 93, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Jones did not concur.)

SCRep. 80 Health on H.B. No. 498

The purpose of this bill is to include mentally ill individuals as among those permitted to reside in group living facilities.

Your Committee finds that existing legislation, Section 46-4(d) Hawaii Revised Statutes, omits reference to the mentally ill when specifying the kinds of residents of group living facilities. This bill includes the mentally ill as those that cannot be excluded, by zoning regulations, from group living arrangements. Such residential arrangements can contribute to their rehabilitation and maintenance in the community.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 498 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 81 Health on H.B. No. 545

The purpose of this bill is to eliminate duplication of effort between the Department of Health and the Department of Agriculture, to clarify and update references made to the Federal Food and Drug Administration (FDA) rules, and to authorize civil penalties and injunctive relief for violations of Chapter 328 of the Hawaii Revised Statutes.

Under present law, the Department of Agriculture has the authority to regulate animal food, except food for dogs or cats, and the Department of Health has authority to regulate food for man or animals. Your Committee finds that the provisions of this bill eliminate this duplication of effort.

Your Committee finds that the federal rules adopted by the 1977 legislature have since been amended and recodified by the FDA. Your Committee feels that the language of H.B. No. 545 would most directly accommodate any future changes in FDA rules.

Your Committee heard testimony from the Department of Health stating that the civil penalties provided for in this bill are necessary for the meaningful enforcement of the provisions of Chapter 328.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 545 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 82 Consumer Protection and Commerce on H.B. No. 306

The purpose of this bill is to allow a person who has a minimum of five years of full-time experience in landscape architecture and a pre-landscape architecture degree to be eligible for registration as a professional landscape architect.

Currently the law requires either a minimum of three years of full-time lawful experience in landscape architecture and an engineering or a landscape architectural degree, or, in lieu of the educational requirements, a minimum of twelve years of full-time lawful experience in engineering or landscape architecture.

The proposed amendment would fill the gap between the three and the twelve year experience requirement and also between the degree and non-degree requirement by allowing a person with five years of full-time lawful experience and a pre-landscape architectural degree to be eligible for registration as a landscape architect.

Testimony in support of the bill was provided by the Board of Professional Engineers, Architects and Surveyors and by the American Society of Landscape Architects, Hawaii Chapter.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 306 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 83 Consumer Protection and Commerce on H.B. No. 311

The purpose of this bill is to enable the Hawaii Public Broadcasting Authority to make, amend and repeal rules and regulations needed in the conduct of its operations.

Although authorization is implied in Section 314-8, HRS, entitled Powers, the Hawaii Public Broadcasting Authority is not explicitly authorized to make rules and regulations by which to conduct its operations.

Testimony was heard from James Young, Executive Director of the Hawaii Public Broadcasting Authority, in support of the recommendation to make explicit the authority of the Hawaii Public Broadcasting Authority to make its own rules and regulations.

Your Committee has made other non-substantive changes to correct typographical errors.

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

and purpose of H.B. No. 311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 311, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 84 Housing on H.B. No. 316

The purpose of this bill is to delete the provision in the Land Reform Law (Chapter 516, Hawaii Revised Statutes) which prohibits the Hawaii Housing Authority (HHA) from collecting deposits from lessees no earlier than 180 days prior to condemnation.

The Hawaii Housing Authority is authorized to require lessees applying to purchase the fee simple title to their residential leasehold properties to pay a deposit to cover costs incurred by HHA in the conversion process. The statute currently prohibits HHA from collecting the deposit from than 180 days prior to the date of condemnation.

Your Committee heard testimony from HHA that leasehold conversions involve a lengthy process and as a result HHA must advance all the costs, such as appraisal, survey and attorneys cost, incurred between the date of application and the 180 day mark. In addition, 10-15% of the lessees withdraw their applications before the 180 day criteria and the remaining lessees must absorb these early incurred costs. Your Committee believes this bill addresses both the cost advancement and fair cost allocation problems by providing HHA the flexibility to require all or a portion of the deposit at the time the application is submitted to HHA.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 316 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 85 Housing on H.B. No. 31

The purpose of this bill is to increase the income limits for a family of one under the Hula Mae program.

Your Committee finds that the 1982 legislative session, Act 34 was passed which provided two to eight or more member households with a \$6,145 across the board increase in income limits. The income limits for these households were raised from the existing 125% to 150% of the state median income. The only exception to this increase was the family of one which remained at 100% of the median income for the state.

Your Committee believes that parity should be established among all households by raising the adjusted income limit for a family of one by \$6,146 to represent 125% of the state median income.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 31 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 86 Consumer Protection and Commerce on H.B. No. 305

The purpose of this bill is to correct the name of the Board of Registration of Professional Engineers, Architects and Surveyors to include landscape architects.

Chapter 464, Hawaii Revised Statutes, establishes a board to regulate professional engineers, architects, surveyors and landscape architects. The name of the board, however, fails to include the landscape architects. This bill, supported by the Board itself, the Hawaii Business League and the American Society of Landscape Architects (Hawaii Chapter), corrects the name.

Your Committee has made nonsubstantive amendments to this bill to correct bill drafting errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 305, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 87 Consumer Protection and Commerce on H.B. No. 658

The purpose of this bill is to change the repeal date of Chapter 464 relating to the Board of Registration of Professional Engineers, Architects, and Surveyors from December 31, 1983, to December 31, 1989.

Testimony in support of the intent and purpose of the bill was provided by the American Society of Landscape Architects, Hawaii Chapter; the Building Department, City and County of Honolulu; the Planning Department, County of Maui; Design Planners Associates, Inc.; the Hawaii Business League; and the United States Department of the Interior. Numerous written testimonies from landscape architects were also received.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 658 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 88 Consumer Protection and Commerce on H.B. No. 304

The purpose of this bill is to eliminate issuance of temporary permits to non-resident persons to practice professional engineering, architecture, land surveying or landscape architecture for a limited period in Hawaii.

At the present time, the qualifications for obtaining a temporary permit are the same as permanent registration. In addition, the time involved in obtaining permanent registration has been reduced to a point where it differs little, if any, from that for a temporary permit. The fee for a temporary permit is also higher--\$50, as opposed to \$30, for permanent registration.

Accordingly, non-resident applicants prefer permanent registration. The board last issued a temporary permit in March 1972.

Your Committee received testimony in favor of the bill from the Board of Registration of Professional Engineers, Architects and Surveyors and from the American Society of Landscape Architects, Hawaii Chapter.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 304 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 89 Consumer Protection and Commerce on H.B. No. 657

The purpose of this bill is to extend the expiration date of the Board of Electricians and Plumbers from December 31, 1983, until December 31, 1989, and to delete motion picture operators from regulation by such board.

A substantial amount of supporting testimony was submitted by electrical and plumbing organizations regulated by the board, the County of Hawaii, and the City and County of Honolulu. A private citizen testified against the bill alleging that the board's current methods of operation do not effectively regulate electricians and plumbers to serve the best interests of private citizens.

Although testimony might have raised issues deserving further consideration, for the purpose of the bill, your Committee believes the hearing was not the proper forum to address such matters.

Your Committee is concerned about the Legislative Auditor's finding on the high failure

rate of licensing exams. The board is hereby requested to reevaluate the examinations to determine their validity and review the resulting impact on entry into and advancement within the electrical and plumbing field.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 657 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 90 Consumer Protection and Commerce on H.B. No. 273

The purpose of this bill is to facilitate the proper administration of the various licensing and regulatory laws by insuring that the director of commerce and consumer affairs maintains the power to issue investigatory subpoenas.

Your Committee finds that the ability of the director of commerce and consumer affairs to issue investigatory subpoenas has proven to be a valuable tool in obtaining information with which to conduct a complete investigation. If the power of the director to subpoena documents and witnesses is not continued, the department will not be able to ascertain the truth in difficult cases. To avoid any allegations of frivolous abuse of legal process levied against the department, all departmental investigators are instructed to first obtain voluntary compliance. The department's record of judicious exercise of its subpoena power supports elimination of the "drop dead" provision of the present law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 273, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 91 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 690

The purpose of this bill, as received by your Committee, is to appropriate general fund moneys to the Office of Hawaiian Affairs (OHA) for its operations.

Your Committee received testimony from OHA stating that the purpose of this bill could be fulfilled by another bill under consideration. OHA also requested that its budget be included in the financial plans submitted by the Governor to the Legislature. Your Committee is of the opinion that this request should be considered and has therefor amended this bill to reflect and implement this new purpose.

Your Committee, however, is of the opinion that, because the purpose and content of the bill have been substantially amended, the bill should receive further review through a public hearing.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 690, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 690, H.D. 1.

Signed by all members of the Committee except Representative Hee.

SCRep. 92 Consumer Protection and Commerce and Judiciary on H.B. No. 23
(Majority)

The purpose of this bill is to change from age 18 the legal age for the purchase, use, sale or serving of intoxicating liquor.

Much testimony was recieved from schools, community groups, businesses, and government agencies in support of raising the legal age. Most recommendations were to raise the age to 21 years. Caution was expressed, however, about raising the age at which persons could serve liquor. In Hawaii, many persons between the ages of 18 and 21 work in establishments where alcoholic beverages are sold. It is not uncommon for a college student to pay for educational expenses this way.

After a review of all testimony, your Committees have amended this bill to increase from 18 to 21 years the age at which persons may purchase or be served intoxicating liquor. The age at which persons may sell or serve such liquor is retained at 18 years.

Your Committees also amended the effective date of this bill to be July 1, 1983. It is recognized that persons reaching 18 but not 21 years by July 1, 1983, will have the lawful right to purchase and drink alcoholic beverages for but a short time period. Your Committees intend this effect and believe that inasmuch as consuming intoxicating liquors is a privilege, not a right, and that since an overriding State interest exists to protect the public (especially youth) such a result is properly within the Legislature's exercise of power.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. 23, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 23, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
(Representative Taniguchi did not concur.)

SCRep. 93 Water, Land Use, Development and Hawaiian Affairs on Agriculture
 on H.B. No. 1579

The purpose of this bill is to add a new section to Chapter 171, Part V, Hawaii Revised Statutes, in order to establish an agricultural park revolving fund within the Department of Land and Natural Resources.

Under present law the Board of Land and Natural Resources has authority to lease private property for disposition for agricultural park purposes. When privately owned lands are leased by the state and then subleased to farmers, the moneys received from the farmers are used to pay the rent due the private landowners and to take care of administrative and other related costs. According to testimony, in the absence of such a revolving fund, the Department of Land and Natural Resources has to secure an appropriation in order to pay the rent because sublease rentals have to be deposited into the State's general fund.

Your Committees are of the opinion that the intent of the bill is appropriate. However, the phrase "administrative costs, and other related purposes" beginning on line 15, page 1, of the bill has been deleted because their expenses are normally budgeted.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture are in accord with the intent and purpose of H.B. No. 1579, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1579, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Crozier.

SCRep. 94 Agriculture on H.B. No. 1116

The purpose of this bill is to repeal Chapter 148, Part II, Hawaii Revised Statutes.

Your Committee finds that two sections of Chapter 148, HRS, relating to poultry labeling have been preempted by federal legislation and are, therefore, invalid. In essence, Chapter 148, Part II, HRS, is no longer required.

Your Committee has received testimony in support of this bill from the Chairman of the Board of Agriculture.

Your Committee has amended this bill by correcting a typographical error on line 6. The last phrase should read "Part II" instead of "Part III".

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1116, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 95 Agriculture on H.B. No. 1117

The purpose of this bill is to repeal Chapter 204, Hawaii Revised Statutes.

Your Committee finds that Chapter 204, Hawaii Revised Statutes, was enacted to authorize the Department of Planning and Economic Development to hold State Fairs to promote agricultural products of the State. Since the Hawaii Farm Bureau Federation presently sponsors the annual State Farm Fair, Chapter 204, HRS, is no longer required.

Your Committee on Agriculture has received testimony in support of this bill from the Chairman of the Board of Agriculture and the Director of Planning and Economic Development.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1117 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 96 Agriculture on H.B. No. 1132

The purpose of this bill is to provide for a one year deferment of payments for loans made to farmers who have suffered from a major natural catastrophe.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau Federation. The Chairman of the Board of Agriculture initially testified against passage of this bill for two reasons:

- (1) Section 155-13(f) requires an automatic one year deferral in payments without regard to the needs or circumstances of the individual farmers; and
- (2) Section 155-13(c) already provides for deferral of principal payments up to a maximum of five years and allows flexibility on a case-by-case basis as to the period of deferral. Under questioning by the Committee, the Chairman later modified his testimony to support H.B. No. 1132 if Section 155-13(c) were to be amended so that deferment of payments due on loans made pursuant to Chapter 155, Hawaii Revised Statutes, include both principal as well as interest and be reviewed on a case-by-case basis.

While in agreement with the intent of the bill, your Committee concurs with the oral recommendations presented by the Chairman of the Board of Agriculture.

Your Committee has, therefore, amended section 1 of this bill as follows:

- (1) On page 1, line 12, insert the phrase "and interest" after "principal";
- (2) On page 2, line 13, add a quotation mark at the end of the sentence; and
- (3) On page 2, lines 14-16, delete entire subsection (f).

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1132, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97 Agriculture on H.B. No. 1190

The purpose of this bill is to appropriate funds for emergency loan relief to qualified farmers whose farm operations have been damaged by Hurricane Iwa.

Your Committee has received testimony in support of this bill from the Hawaii Farm Bureau Federation. They estimate that \$2,000,000 will be required to reestablish the crops damaged by Hurricane Iwa. The Chairman of the Board of Agriculture also testified in support of this measure. He recommended that funds appropriated under this Act be added to the Agricultural Loan Revolving Fund and funds not expended or encumbered for emergency loans to farmers adversely affected by Hurricane Iwa, be made available for other agricultural loans as provided under Chapter 155, Hawaii Revised Statutes.

Your Committee finds that farmers who have been adversely affected by Hurricane

Iwa have not been able to receive timely assistance from Federal sources. The extent of losses to diversified agriculture make it imperative that financial aid be provided expeditiously.

Your Committee further finds that the Agricultural Loan Division of the Department of Agriculture could provide the financial assistance required if funds were made available to augment the Agricultural Loan Revolving Fund.

Your Committee has therefore amended sections 1 and 2 of this bill to reflect the recommendations of the Chairman of the Board of Agriculture and provide \$1,500,000 for the purpose of this Act.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1190, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 98 Health on H.B. No. 497

The purpose of this bill is to require that prescription drugs in tablet form bear a mark or imprint which identifies the drug and the manufacturer or distributor of the drug.

Your Committee finds that requiring a clearly marked symbol or similar kind of identification on prescription drugs would help emergency health care providers to quickly identify drugs that are potentially lethal to persons who accidentally or intentionally ingest them.

Your Committee finds that the existing bill may apply to tablets only, although capsules account for many of the oral dosage forms of drugs manufactured and distributed in Hawaii. Your Committee has amended the bill by replacing the word "solid" with "tablet or capsule" on line 5, page 1, and on line 10, page 2.

Your Committee recognizes that exhaustive enforcement of this measure is not possible; subsection (c) of page 2, which addresses the department's power to exempt drugs from the requirements of this bill, may not cover the problem of generic and brand-name drugs purchased by a consumer from out-of-state houses.

Your Committee has amended this bill by replacing subsection (c) of page 2, lines 1 to 5, with a new clause that exempts drugs purchased by consumers from out-of-state drug houses from the requirements of this measure.

Your Committee recognizes that the department of health requires lead time to prepare for the effective enforcement of this measure. Details must be arranged with drug manufacturers, distributors, and consumers. Your Committee has amended this bill by changing the time frame from drugs manufactured after December 31, 1983 to drugs sold in the State after July 1, 1984. Thus, subsection (e) of page 2, lines 9, 10, and 11, is amended to read: "(e) This section shall apply to a drug manufactured into tablet or capsule oral dosage form sold in the State after July 1, 1984."

Your Committee on Health is in agreement with the intent and purpose of H.B. No. 497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 497, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 99 Health on H.B. No. 1021

The purpose of this bill is to appropriate \$10,500 from the state general fund to study the effects of electromagnetic radiation from the radio transmitter facility at Lualualei on neighboring residences.

Your Committee finds that there may be potential health hazards due to the non-ionizing radiation which emanates from the military's radio transmitter facility at Lualualei. There is substantial community concern among residents of Lualualei, Maili and Nanakuli regarding possible health effects, including incidences of birth defects, infant deaths, hyperkinesis, cancer and other defects and diseases.

Studies of broad scope suggest that electromagnetic radiation fields originating from transmission lines, substations and transformers result in changes in blood chemistry, mutational changes, increased cancer risk and other health problems. A 1979 report by the U.S. Department of Defense cautions that studies must be of narrow, specific scope in order to make valid determinations of possible effects.

Your Committee finds that the foundation has been prepared for a cost-efficient conclusive study of baseline health and radiation assessments. The Cancer Center of Hawaii would assist in conducting the survey and university experts would provide technical resources necessary to make proper measurements. The \$10,500 would cover consultation and supervision, payment to interviewers and technicians, rental of equipment, supplies, computer time and data reduction.

Your Committee on Health is in accord with the intent and purpose of H.B. 1021 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 100 Health on H.B. No. 1086

The purpose of this bill is to allow the department of health to impose civil penalties of not more than \$25,000 for each separate violation of the abatement of nuisance law and food, drug and cosmetic law. The bill also provides for injunctive relief in order to prevent violations.

Your Committee finds that this bill encourages uniform procedures throughout the diversity of program areas within the department, which in turn would encourage more efficient procedures as well as better protection of the public.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1086 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 101 Health on H.B. No. 1087

The purpose of this bill is to authorize the department of health to acquire records or copies of records relating to the manufacture, distribution, or sale of food, drugs, or other consumer commodities if the director of health has probable cause to believe that the commodity is adulterated or misbranded.

Your Committee finds that the department should have this authority to inspect records when an adulterated commodity could threaten public health or affect a wide segment of the population. The department of health presently lacks this power, as illustrated by its recent failure to obtain complete records concerning heptachlor in milk from dairies and associated businesses.

Your Committee recognizes the possible inclusion of trade secrets and similar confidential information in records. Information of this nature is protected from public disclosure when the department inspects actual or suspected water, air, noise, and other pollution sources. The businesses affected by this bill should be protected from public disclosure. Thus, your Committee has amended this bill by adding a new paragraph to subsection (2) of page 2. It reads:

"No confidential information concerning secret processes or methods of manufacture secured pursuant to this section by any official or employee of the department of health within the scope of and course of his employment shall be disclosed by the official or employee except as it relates directly to the adulteration of a commodity, and then, only in connection with his official duties and within the scope and course of his employment. Any officer, employee or agent of the department acquiring confidential information concerning secret processes or methods of manufacture who divulges information except as authorized in this section or as ordered by a court or at an administrative hearing regarding an alleged adulteration or misbranding or of any rule or regulation or standard promulgated pursuant to this section shall be fined not more than \$1,000."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1087, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 102 Health on H.B. No. 1145

The purpose of this bill is to provide assistance from the department of health for the operation of existing private and public skilled nursing and intermediate nursing facilities. These facilities service many elderly and chronically disabled citizens.

Your Committee finds that the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) will cost public and private community hospitals approximately \$9 million in the next biennium. Private community hospitals have indicated that they may terminate their nursing care operations as a result of TEFRA's impact.

Your Committee recognizes a potentially grave problem, that of a sharply reduced number of long term care beds, at a time when there is already a shortage of long term care beds.

This bill addresses the bed shortage for long term care. It requires a provider of nursing care services to make a declaration of termination of his nursing care services operation. It then allows the department of health to provide assistance to the provider until the time of termination or until a buyer for the operation is found. If the provider chooses to terminate his operation, the department of health, subject to legislative appropriation, would be required to purchase the nursing care services operation.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1145 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 103 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1207

The purpose of this bill, as received by your Committee, is to identify the lands and income which should be included in the public land trust and subject to Chapter 10, Hawaii Revised Statutes.

H.B. No. 1207 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill, primarily used for convenience to introduce a bill containing only a general idea as to its purpose and means without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may properly be held on its substantive provisions. Without the amendment providing the substantive contents, members of the public cannot be duly apprised, in advance of the hearing, as to what the bill specifically purports to do and the specific means by which it intends to achieve the desired results. Thus, a hearing on a short-form bill may not be helpful, and a notice thereof could be less than meaningful.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1207, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1207, H.D. 1.

Signed by all members of the Committee except Representatives Crozier and Hashimoto.

SCRep. 104 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1571

The purpose of this Bill is to amend Section 202, Hawaiian Homes Commission Act, 1920, as amended, in order to extend the term of employment of contract individuals and to open all positions and vacancies to any qualified individuals.

Under present law the Department of Hawaiian Homes Lands may employ a contract individual for a maximum of six years. According to testimony, the six-year term is

inadequate for many contract individuals who provide critical services in fully developing, implementing, and managing programs and projects in the areas of housing and agricultural development, financing and real estate planning, management and development.

Your Committee is in agreement with the intent of the bill. However, it believes that there is no need for the bill to specify the staff positions to be hired on a contractual basis. Therefore, your Committee recommends that the sentence, lines 13 to 16, page 2 of the bill, "These contractual individuals shall be limited to qualified aides in finance and funding, engineering, planning and development, legal matters, agriculture and ranching", be deleted.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1571, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Crozier.

SCRep. 105 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1505

The purpose of this bill is to issue special purpose revenue bonds in a total amount not to exceed \$10,000,000 in one or more series in order to assist Aloha Studios, Inc., a Hawaii corporation, in the generation of new capital for the establishment of facilities and commercial activity relating to the performing arts, including film and sound studios, post-production facilities, theaters, related activities and services, and support facilities and services.

According to testimony, Aloha Studios has begun negotiations to lease property in Pearl City as a studio site. The full-fledged film studio would enhance the growth and development of the film industry in Hawaii and significantly contribute to economic diversification and to increased job opportunities for Hawaii's residents.

Your Committee is of the opinion that the issuance of special purpose revenue bonds for the purposes of the bill would provide excellent financing for the studio's development while, at the same time, not creating an obligation of or cost to the State.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1505 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Crozier.

SCRep. 106 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1129

The purpose of this bill is to amend Section 102-6, Hawaii Revised Statutes, concerning deposits of legal tender, or a certificate of deposit, cashier's check or certified check to accompany bids for concessions on public property, in order to delete the ceiling of \$40,000 for the deposit.

Under present law a certificate of deposit, cashier's check, or certified check may be utilized only to a maximum of \$40,000. In excess of \$40,000, the bid deposit must only be in the form of legal tender or a surety bond. According to testimony, such practice is not reasonable. In a recent bid opening for airport concessions, a bidder brought \$141,000 in cash to the opening. The Department of Transportation incurred increased security risks and the attendant costs for security guards. Moreover, certain interested bidders encountered difficulty in obtaining surety bonds. Increasing costs of surety bonds were noted as a problem which deters the bidders who otherwise would have been qualified to bid.

Your Committee is of the opinion that bidders should be permitted to use other forms of deposit which are easily verifiable by banks. If such deposits are uncollectible or otherwise invalid, those particular bid proposals would be declared void, and bid award would continue to the next highest bidder.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1129 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Crozier.

SCRep. 107 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1120

The purpose of this bill is to provide for the funding of loan services and delinquent loan collection activities in the Department of Hawaiian Home Lands through revenues from its Hawaiian Home Loan Interest Fund.

According to testimony, in recent years revenues in the Hawaiian Home Loan Interest Fund have increased. These moneys have come from interest received through investment of idle cash from loan funds and loans to the Department's lessees, as well as from increased delinquent loan collection activities. However, staff salaries and other administrative expenditures relating to loan services and delinquent loan collections are presently funded through the Hawaiian Homes Administration Account which derives its revenues from the leasing of available lands. This causes a problem because the Administration Account lacks sufficient resources to meet the additional workload.

Your Committee is of the opinion that, as the number of new loans made increases and as delinquent loan collection activities increase, staff must increase to manage these activities. Your Committee is also in agreement with the proposal to transfer moneys from the Loan Interest Fund to the Administration Account so that moneys for the increased staff help can be funded.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1120 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Crozier.

SCRep. 108 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 37

The purpose of this bill is to provide funds for encouraging and assisting the development and further expansion of high technology industries in Hawaii.

According to testimony, high technology industrial activity in Hawaii is presently in its infancy. The Department of Planning and Economic Development has proposed plans and programs to capitalize on the potentials of high technology industrial development as a means to diversify Hawaii's limited economic base. However, disadvantages to its development may exist inasmuch as questions have been raised about how the State's overall tax structure, a lack of suitable sites for technology firms and the long lead time to obtain zoning for such sites, and limited funding and State support assist or deter the development of high technology industries. Moreover, there may be a perception by high technology site selection managers and chief executives that Hawaii does not have a business climate conducive to the development and expansion of high technology industries.

Your Committee is of the opinion, in light of both advantages and disadvantages, that there is still a need to consider the possibility and requirements of establishing a viable high technology industrial base in the State. Therefore, your Committee is not in agreement with the intent and purpose of the bill. Rather, it recommends that a symposium be convened by the Department of Planning and Economic Development and include, but not be limited to, the topics of markets, key elements, and programs; and issues such as land availability, water availability, Hawaii's cost of living, infrastructure availability, tax incentives and disincentives, and social amenities available for potential high technology personnel. The bill has thus been amended to reflect these recommendations.

Your Committee has also amended the bill by inserting in the appropriate space the figure "1" in Section 1.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 37, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 37, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Crozier.

SCRep. 109 Education and Ocean and Marine Resources on H.B. No. 27

The purpose of this bill is to improve marine education and related programs in Hawaii.

Your Committees find that the ocean resources of our island state are a more valuable and significant part of our lives than had once been acknowledged by our educational system. Through prior legislative initiative, the Department of Education has been provided funds for students to participate in the Blue Water Marine Laboratory Program and for the beginnings of curriculum design for the marine education system.

Your Committees are in agreement that legislative support of marine education should continue. This bill appropriates \$25,000 for the next fiscal year for the establishment of a new marine education resource center similar to the one already in existence in DOE. This bill also appropriates \$25,000 for the next fiscal year to make possible continued participation in the Blue Water Marine Laboratory Program. It is expected that the curriculum design for marine education will continue with funds otherwise appropriated to the Department. It is also the Legislature's intent that any personnel hired for the resource center be paid by a scale other than the educational officer's pay schedule.

Your Committees have amended section 2 to this bill to reflect this appropriation and legislative intent.

Your Committees on Education and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 27, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 27, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 110 Education on H.B. No. 182

The purpose of this bill is to require that the Department of Education submit an annual report to the Legislature on the School Priority Fund (SPF) established by Chapter 296D.

Your Committee finds that the statutes do not currently ensure that the Legislature will regularly receive information as to the disposition of the funds and positions in the School Priority Fund. In the absence of such a requirement, there may not be sufficient notice to the schools and the Department that such data is of continuing interest to the Legislature and should be systematically collected and analyzed.

The DOE testified in support of this bill. It has already begun to assemble SPF information, including information on the problem areas and suggested improvements, and intends to transmit appropriate reports to the current session. These may very well serve as prototypes to implement the intent of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 182 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 111 Employment Opportunities and Labor Relations on H.B. No. 128

The purpose of this bill is to amend Section 383-10 of the Unemployment Compensation Law to include in the definition of wages (upon which an employee's benefits are calculated) "tips or gratuities paid directly to the employee by a customer of his employer, and which are reported to the employees for payroll tax deduction purposes."

Your Committee finds that currently tips and gratuities which are paid directly by a customer to a worker are considered wages for unemployment compensation purposes only if they are reported to the employee to meet minimum wage standards. Tips reported to an employer merely for social security reporting purposes are excluded in computing the individual's entitlement to unemployment compensation benefits.

Your Committee finds that tips and gratuities are presently not counted toward an employee's wages if not accounted for by the individual to his employer. Your Committee finds that this bill would positively assert that such tips, provided they are accounted for by the employer and taken into consideration in the employee's payroll taxes, will be counted as a part of the employee's total wages for unemployment compensation benefit purposes.

Your Committee has amended section 1, page 1, line 9 of H.B. No. 128 by deleting the phrase "for payroll tax deduction purposes" in consonance with the bill's intent that such income be reported for unemployment compensation benefit purposes. The new language reads as follows: "tips or gratuities paid directly to an individual by a customer of his employer and reported to the employer."

Your Committee agrees with the intent of H.B. No. 128, H.D. 1 and clearly states its belief that, in as much as tips are wages, tip income should be included as wages for unemployment compensation benefit purposes. Your Committee supports this measure as it is in accord with the basic objective of the unemployment program in providing benefits to qualified unemployed individuals based on all remuneration for services rendered. Further, it brings fairness and equity to those tipping categories such as waitresses, busboys and other restaurant and hotel workers who might otherwise be deprived of credit under the Unemployment Compensation Law for a substantial part of their daily earnings.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 128 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 128, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 112 Employment Opportunities and Labor Relations on H.B. No. 61

The purpose of this bill is to amend the Hawaii Wage and Hour Law by changing the definition to employee to exclude from the definition any individual receiving guaranteed compensation of two times the minimum hourly wage, rather than the existing statutory exclusion of \$700 or more per month.

At present, an individual earning \$700 or more per month in guaranteed compensation is exempt from the overtime, record keeping, and other provisions of the law. This bill would raise the amount of the exclusion to two times the minimum hourly wage set forth in section 387-2, which is presently \$3.35 per hour.

Your Committee finds that the last increase in the monetary exemption (to \$700 per month) went into effect on July 14, 1969. At that time, the minimum wage in effect was \$1.40 an hour. Since then, there have been seven increases in the minimum wage but no change in the monetary exemption amount. We believe that such a low amount is inconsistent with the purposes of the law which are: (a) to establish minimum wage and maximum hour standards for employees at levels consistent with the public health, efficiency, and general well-being of workers; (b) to safeguard existing minimum wage and maximum hour standards which are adequate for the health, efficiency, and general well-being of workers from the effects of wage and hour standards detrimental to the health, efficiency, and general well-being of workers; and (c) to increase employment opportunities. An employee who works 48 hours per week for the \$700 salary actually receives the equivalent of \$3.365 per hour, and no overtime pay. In comparison, a person who works 48 hours a week at minimum wage (\$3.35) and receives overtime after 40 hours receives \$174.20 a week or about \$775 per month. However, the bill as stated, in terms of the hourly wage leaves much room for interpretation and may not accomplish its purpose. Therefore, your Committee has amended Section 1, page 1, line 7 of the bill to provide that persons receiving monetary compensation totalling \$1,000 or more are excluded from the definition of employee.

Your Committee also heard testimony from the Hawaii Automobile Dealers Association and recognizes that an automobile salesperson is essentially an outside salesperson who works on sales commission even though his employer may require him to put a minimal amount of hours each week in the dealership showroom. Therefore, your Committee believes that a car salesperson should be exempted from the wage and hour law and its overtime provision because the salesperson's pay is based on sale commission and the hours outside are determined by the salesperson and not the employer.

Your Committee has further amended section 1, page 4 of the bill to include a new paragraph containing this exemption to read as follows:

"(13) As an automobile salesperson primarily engaged in the selling of automobiles or trucks and employed by an automobile or truck dealer licensed under the provisions of the Motor Vehicle Industry Licensing Act."

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 61, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 61, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 113 Energy, Ecology and Environmental Protection on H.B. No. 887

The purpose of this bill is to establish a mandatory fine of \$100.00 for any person who commits a litter violation. This bill will also require the violator to serve a period of public service and remove or pay for the removal of the litter violation.

Your Committee finds that a mandatory penalty for a litter violation would clarify to the public, the consequences of committing such an act. However, your Committee finds that a specific fine of \$100.00 would inappropriately address the magnitude of each violation that may be committed. This bill has been amended by requiring a mandatory fine within a range of not less than \$50.00 and not more than \$250.00. Your Committee also finds that the decision to commit a person to provide public service should remain under judicial discretion.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 887 H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 114 Energy, Ecology and Environmental Protection and Education on H.B. No. 503

The purpose of this bill is to appropriate the sum of \$5,000, or so much thereof as may be necessary for fiscal year 1983-1984, to provide a grant-in-aid to Makiki Environmental Education Center, Inc. for environmental education purposes.

Your Committees find that since 1982, the Makiki Environmental Education Center has provided outdoor educational activities for the enrichment of Hawaii's people. These activities include environmental education seminars for public and private school students in elementary grades, guided weekend hikes for community groups, and various programs that provide an awareness of Hawaiiana in relation to the plants, geology, and history of the Makiki Valley area. The Makiki Environmental Education Center has demonstrated its ability to provide Hawaii's public with a high quality educational experience.

Your Committees on Energy, Ecology, and Environmental Protection and Education are in accord with the intent and purpose of H.B. No. 503, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 115 State General Planning on H.B. No. 268

The purpose of this bill is to abolish the Commission on Population and the Hawaii Future and transfer its functions to the Department of Planning and Economic Development.

The Commission was established in 1973 to serve in an advisory capacity on population and planning matters, and to carry out a number of responsibilities in population planning and management. On July 1, 1980, the Commission was transferred from the Governor's Office and assigned to the Department of Planning and Economic Development (DPED) for administrative purposes.

With the enactment of the Hawaii State Planning Act in May 1978, the State's commitment and obligation to plan and manage population growth and distribution have been strengthened by the adoption of polices and priority directions in the Hawaii State Plan which address population growth and distribution. The 1978 Amendment to the State Constitution (Article IX, Section 6) also requires the State and Counties to plan and manage population growth to protect the public health and welfare.

Your Committee therefore believes that it is no longer essential to maintain an advisory commission to deal with population issues. This bill would abolish the existing eleven-member Commission, transfer population planning and management responsibilities to DPED, and transfer the Commission's staff of four permanent positions, as well as its funds and property to DPED.

As received by your Committee, the bill would establish an Office of Population within DPED. This staff office would provide advice and assistance in addressing issues in population planning and management, and also provide the focus and visibility for this area of study.

Your Committee has amended the bill by deleting the specific provision to establish a new office and, instead, has assigned the proposed functions to DPED generally. Your Committee feels that this amendment would provide the department head with the opportunity to reorganize as needed for efficiency, economy, or other reasons based on sound management practices.

Your Committee finds that the proposed bill satisfies the requirement to plan and manage population growth to protect the public health and welfare as expressed in Article IX, Section 6 of the State Constitution.

Your Committee has made a conforming amendment by deleting the reference to the Commission on Population and the Hawaiian Future in Section 222-2, HRS.

Your Committee also made technical, nonsubstantive amendments.

Your Committee on State General Planning is in accord with the intent and purpose of H.B. No. 268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 268, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116 Agriculture on H.B. No. 820

The purpose of this bill is to provide an appropriation to support ongoing community efforts to establish an agricultural training program on Moloka'i.

It is the legislature's intent that the phrase "agricultural training" in this bill includes "aquacultural training".

Your Committee finds that the closing of the Del Monte operation on Moloka'i this summer will have a great impact on the island's economy. Moloka'i already has the highest percentage of individuals receiving unemployment compensation in the State, and many workers have expressed interest in diversified agriculture.

Your Committee also finds that the recent development of county agricultural park lands and the availability of prime agricultural lands in the Hawaiian Homestead area of Ho'olehua provide the basic resource for farming on Moloka'i. Additional fertile lands may become available with the Del Monte closure. Individuals in the work force will require training to acquire managerial and technical skills necessary to successfully operate a farm on the available agricultural lands.

Your Committee further finds that Maui Community College has an ongoing agricultural training program in their curriculum with twenty-five students currently enrolled. This program, designed to provide hands-on training and managerial skills to potential farmers, requires additional funds to continue its operation.

Your Committee has received testimony from many sources, all in support of the intent of H.B. No. 820. The Chairman of the Board of Agriculture recommended that funds should more appropriately be given to Maui Community College as the expending agency.

Your Committee agrees with the recommendation of the Chairman of the Board of Agriculture and therefore has amended section 3 of this bill accordingly.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 820, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 117 Agriculture on H.B. No. 939

The original purpose of this bill was to provide funds for feed and forage research and development.

Your Committee received testimony in support of the intent of this measure from Tropical Agricultural Consulting Services, Inc. and the 50th State Dairy Farmers' Cooperative.

Your Committee finds that a significant sector of our diversified agricultural industry requires imported feed to sustain its operations. Our producers have not been able to effectively compete with imported commodities (beef, pork, poultry, eggs and milk) due to these higher feed costs.

Your Committee also finds that the recent problems involving contamination of pineapple greenchop, has necessitated even greater importing of feed by the already financially troubled dairy industry.

Your Committee further finds that lands soon to be taken out of sugar and pineapple production could be effectively utilized for feed and forage production. The College of Tropical Agriculture and Human Resources has conducted recent study of the feed and forage industry and is presently drafting their final report on the results of their analysis.

Your Committee concludes that land suitable for feed and forage production and sufficient research data to implement this program is presently available.

Your Committee has therefore amended sections 1 and 2 of this bill to provide for the implementation of a feed and forage production program instead of analyses, research, and development. The purpose of this bill has been amended accordingly.

Your Committee has also amended section 3 of this bill by designating the Department of Agriculture as the expending agency.

Your Committee has also made technical, non-substantive amendments to the bill for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 939, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 118 Agriculture on H.B. No. 940

The purpose of this bill is to provide the necessary funds for the development of a statewide agricultural production and marketing plan.

Your Committee received written testimony from the Hawaii Farm Bureau Federation strongly supporting passage of this bill. Testimony from the Governor's Agriculture Coordinating Committee questioned the reference to products produced in Agricultural Parks since the lease agreements allow the lessees to grow many types of crops. In oral testimony, the Chairman of the Board of Agriculture supported the intent of this bill and indicated that his department would provide assistance in implementing this production and marketing plan.

Your Committee also finds that a statewide marketing and production plan should address commodities produced in all areas, not just in Agricultural Parks.

Your Committee has therefore amended section 1 of this bill by deleting references to agricultural parks on page 1, lines 1 and 2 and substituted the word "Hawaii" in place of "agricultural parks" on page 1, line 3.

Your Committee has also made technical, non-substantive amendments to the bill for purposes of clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 940, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119 Agriculture on H.B. No. 942

The purpose of this bill is to amend the general excise tax law to reduce the tax on producers and manufacturers of agricultural products from one-half of one per cent to one-tenth of one per cent if such products are sold for delivery out of state or shipped or transported out of state.

Your Committee received testimony in support of this measure from the Hawaiian Sugar Planters' Association and in opposition from the Department of Taxation.

Your Committee finds that this bill would enable agricultural products to more favorably compete in mainland U.S. and foreign markets.

Your Committee also finds that the savings realized by producers of goods sold outside of the State would assist these industries many of which are presently fighting to survive in a very competitive market.

Your Committee has taken into consideration testimony presented in opposition by the Department of Taxation.

Your Committee has made a technical, nonsubstantive amendment on page 2, line 17 by changing "subparagraph (c)" to read "subparagraph (C)".

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 942, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120 Agriculture on H.B. No. 943

The purpose of this bill is to provide for a refundable investment tax credit on certain types of depreciable tangible personal property for producers of agricultural products.

Your Committee received testimony in support of this measure from the Hawaiian Sugar Planters' Association and in opposition from the Department of Taxation.

Your Committee finds that the tax credit provided by this bill will provide a substantial incentive for agricultural producers in Hawaii to improve their production facilities.

This incentive may be a deciding factor in encouraging producers, presently contemplating leaving the State, to remain in business in Hawaii.

Your Committee has taken into consideration the testimony presented in opposition by the Department of Taxation.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 943 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121 Agriculture on H.B. No. 944

The purpose of this bill is to extend the principle of wholesale tax rate to all sales made to licensed agricultural or aquacultural producers and cooperative associations by amending Section 237-4, Hawaii Revised Statutes.

Your Committee received testimony in support of this bill from the Hawaiian Sugar Planters' Association and in opposition from the Department of Taxation.

Your Committee finds that the present law levies a four per cent tax for sales of products to agricultural and aquacultural producers that are consumed and not resold. This tax is absorbed by the producer and reflected as an added cost of doing business. The present economic hardships being experienced by our agricultural and new aquacultural producers would be significantly reduced by a decrease in this tax from four per cent to one-half of one per cent.

Your Committee has taken into consideration the opposition expressed by the Department

of Taxation.

Your Committee has made the following technical, nonsubstantive amendments to this bill: correcting the spelling of the word "regular" on page 6, line 14; and by amending the effective date of this Act from July 31, 1983 to July 1, 1983 on page 6, line 17.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122 Agriculture on H.B. No. 48

The purpose of this bill is to provide funds to assist those affected by the close down of the Molokai pineapple plantation.

Testimony in support of this bill was received from the Hawaii Farm Bureau Federation and the Department of Planning and Economic Development.

Your Committee finds that the island of Molokai has the lowest per capita income and highest percentage of individuals receiving unemployment compensation in the State. This situation will be further aggravated by the impending closing of the Del Monte operation on Molokai.

Your Committee also finds that lands being vacated by Del Monte are good agricultural lands, capable of supporting intensive farming and contributing to the diversified agricultural base of the State.

Your Committee has amended this bill by appropriating \$100,000 for fiscal year 1983-1984.

Your Committee has also amended Section 2 of this bill, designating the Department of Agriculture as the more appropriate expending agency with funds to be used pursuant to Chapter 153, Hawaii Revised Statutes.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 48, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 48, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 123 Agriculture on H.B. No. 644

The purpose of this bill is to help promote Hawaii-produced agricultural products by appropriating funds for the State Farm Fair.

Your Committee received testimony from the Governor's Agriculture Coordinating Committee, the Hawaii Farm Bureau Federation and the College of Tropical Agriculture and Human Resources in support of this bill.

Your Committee finds the State Farm Fair provides an excellent vehicle to promote Hawaii's diversified agricultural industry and this is a project worthy of continued financial support by the State.

Your Committee further finds that there is a need to upgrade the quality of the exhibits and promotional materials utilized at the State Fair. A professionally prepared brochure, rather than one mimeographed, should be developed as well as more attractive displays. These improvements and upgrading the construction quality of individual booths would do much to enhance the overall image of this annual event.

Your Committee therefore agrees with the recommendation of the Governor's Agriculture Coordinating Committee to amend Section 1 of this bill and increase the funds appropriated to \$30,000.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 644, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 644, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 124 Agriculture on H.B. No. 500

The purpose of this bill is to ensure continuation of the Pesticide Assessment Project of the University of Hawaii by appropriating funds for this purpose.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau Federation and the Director of the Pacific Biomedical Research Center at the University of Hawaii.

The University of Hawaii submitted testimony recommending that \$56,490 be appropriated under this bill to be expended by the Department of Health for a program on the hazards of pesticides to humans in Hawaiian Environments.

Your Committee believes the assessment of human effects of pesticides is properly the responsibility of the Department of Health.

Your Committee finds that the work of the Pesticide Hazard Assessment Project (PHAP) has been instrumental in providing rapid response to recent pesticide problems that posed possible immediate health hazards to the residents of Hawaii.

Your Committee also finds that the State of Hawaii would benefit by the continuation of research by the PHAP in specific areas that include effects of heptachlor on pregnancy outcome, childhood and mothers milk as well as pesticide usage patterns.

Your Committee further finds that the Environmental Protection Agency will not provide financial support to continue this project unless additional funds are obtained from another agency. Funds are not available from the University of Hawaii budget for this project.

Your Committee has therefore adopted the recommendation of the University of Hawaii and amended Sections 2 and 3 of this bill accordingly.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 125 Health on H.B. No. 636

The purpose of this bill is to provide a loan of not more than \$250,000 to Molokai General Hospital.

Your Committee finds that Molokai General Hospital has, since June of 1982, incurred debts totalling approximately \$260,000. Your Committee recognizes that some infusion of money is necessary to maintain the continued viability of Molokai General.

Your Committee finds that the Department of Accounting and General Services has proposed to purchase land in Kaunakakai for the construction of a civic center there. It is the intent of this Committee that the department purchase the necessary land from Molokai General Hospital. Thus, the Hospital would have sufficient funds to maintain its viability. Failing appropriate action by the department, your Committee feels that the provisions of this bill would suffice to accommodate the Hospital's immediate financial needs.

Your Committee is in accord with the intent and purpose of H.B. No. 636 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 126 Housing and Human Services on H.B. No. 1228

The purpose of this bill is to appropriate \$300,000 to establish a pilot program which would allow the Department of Social Services and Housing to lease "granny flat" type units to elderly and handicapped persons.

Your Committees heard testimony in favor of the bill from representatives of several

agencies in both the private and public sector. These testimonies stated that the program has been used extensively and successfully to facilitate intergenerational support among families.

Your Committees have amended this bill by redesignating the implementing agency from the Department of Social Services and Housing to the City and County of Honolulu. Since the program is to be carried out in conjunction with the City and County of Honolulu's Ohana zoning program, it was deemed more appropriate that they be the administrative agency. The bill was also amended to clarify that it is a pilot program.

Your Committees on Housing and Human Services are in accord with the intent and purpose of H.B. No. 1228, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1228, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 127 Housing on H.B. No. 314 (Majority)

The purpose of this bill is to allow the Hawaii Housing Authority to issue up to \$75 million in taxable revenue bonds to assist lessees in financing the acquisition of the fee title to leasehold properties converted under the Land Reform Act.

This bill is identical to S.B. No. 2866-82, S.D. 2 which the legislature passed in 1982. That bill was vetoed because its passage, before passage of the Supplemental Appropriation bill, was deemed to be unconstitutional.

Your Committee heard testimony in favor of the bill from the Hawaii Housing Authority (HHA), Solomon Brothers, Inc. and members of Hawaii's Banking Community.

Over 3,500 leasehold lots have been converted under the Land Reform Act; there are currently 7,100 lots in the process of conversion; and an estimated 30,000 leasehold lots could be affected. If conversion activity occurs at levels anticipated, local financing resources, due to limited money supply and increasing property values, may not be able to meet the demand. The Authority believes that the unavailability of conversion loans will ultimately jeopardize the viability of the Land Reform program. Under current and future economic conditions, it is unwise and unrealistic to expect that local mortgage lending institutions will always be able to assume the burden of providing conversion loans, and that some alternative financial mechanism appears to be necessary to ensure that leasehold conversions can continue to take place.

Your Committee finds that the "Fee Title Acquisition Loan Program" established by this bill will make funds available for the future financing needs of the lessees who wish to convert their properties by providing access to the necessary secondary market for the loans.

Hawaii is a capital poor state and local lenders must sell mortgage backed securities on the secondary market as a source of funds to originate future loans. Your Committee heard testimony that the existing secondary market for the leasehold conversion loans may not always be adequate, nor can its future existence and availability be relied upon due to factors beyond the State's control.

Your Committee believes that the passage of this bill will be an integral part of implementing the Land Reform Act. The "Fee Title Acquisition Loan Program" established under this bill would allow the Authority to issue taxable securities, the proceeds of which will purchase newly originated fee title acquisition mortgage loans from private lending institutions. Your Committee notes that this program is a stand-by program which will be activated if and when the existing lending and secondary market mechanisms are unable to address the needs of the Land Reform program. This program is not intended to compete with the existing lending institutions. On the contrary, HHA and the lenders must work cooperatively, since this program cannot be triggered without the assent of the lenders to serve as the primary market originating the loans. HHA will act as a conduit between the primary lenders and the national capital markets. In effect, HHA will import capital for local lenders to make fee acquisition mortgage loans.

Your Committee finds that this program will not impact on the State's financing abilities nor will it cost the State any money. The program will be structured so that all expenses will be paid from program revenues or bond proceeds. No external funds will be necessary.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 314 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Andrews did not concur.)

SCRep. 128 Housing on H.B. No. 719

The purpose of this bill is to improve the operation of the Advisory Council for Housing and Construction Industry by (1) statutorily specifying the Council's advisory function to State and county government; (2) altering the Council's composition by increasing the Council's membership from twenty-four to twenty-five through the addition of a member from the Land Use Research Foundation; (3) generally expanding the Council's duties and functions with respect to housing consumers and lower housing costs; and (4) appropriating \$185,000 for the Council's operations during the 1983-1985 fiscal biennium.

Your Committee concurs with the testimony supporting this measure. Your Committee has amended Section 1, page 2, line 9 by deleting the period at the end of item (3) and adding the phrase ", at least one of whom shall be a member of a recognized consumer interest housing organization." Your Committee has also amended the bill in the following major respects: (1) by inserting the phrase ", and may initiate recommendations without request," after the word "recommendations" in Section 1, page 3, line 16; (2) by inserting the phrase "all State and county agencies, particularly the land use policies being developed by" after the phrase "being developed by" in Section 1, page 5, line 6; and (3) by changing the phrase "it relates" to "they relate" in Section 1, page 5, line 7. These amendments are made to: (1) insure representation of consumer housing interests within the Council; (2) allow the Council to make recommendations when it deems necessary; and (3) expand Council oversight to include all land use policies which may affect housing and construction costs.

Your Committee on Housing is in accord with the intent the purpose of H.B. No. 719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 719, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 129 Housing on H.B. No. 813

The purpose of this bill is to repeal from the statute the Factory-Built Housing Advisory Board established in 1970 and transferred for administrative purposes from the Department of Labor and Industrial Relations to the Department of Commerce and Consumer Affairs in 1980. The purpose of the board is to periodically review the rules on factory-built housing promulgated by the department and recommend changes of rules when it deems advisable.

Your Committee heard testimony that during the past two years no meetings of the board were held. The department did not find a need to consult with them regarding the rules and program activity has been minimal.

Your Committee believes that should there be a need in the future to revise or update rules, the department may contact architectural and engineering associations, building construction trades and contracting and manufacturing industries. In keeping with our policy of sunseting boards and commissions where public health, safety and welfare are not endangered, your Committee finds that this board does not warrant retention.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 813 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 130 Housing on H.B. No. 817

The purpose of this bill is to allow the Hawaii Housing Authority to raise the income limits for the Hula Mae program by 3-1/2 per cent for every half percentage point increase over a Hula Mae interest rate of 10 per cent.

Your Committee finds that the Hula Mae program has been very successful in assisting low and moderate income families buy their first home. However, during periods of high mortgage loan interest rates the number of applicants that can use the program is reduced. As the interest rates increase, the qualifying annual income required to maintain the same level of purchasing power also increases substantially. However, the Hula Mae income restrictions remain constant. Therefore, as the interest rates increase, the number of borrowers who can meet the requirements of both the Hula Mae program and the participating lending institutions are drastically reduced.

Your Committee believes that restrictive income limits eliminate potential gap group applicants from utilizing the Hula Mae program. In view of the following facts; the Hula Mae program may end on December 1983 due to a federal sunset requirement; the Authority is authorized by the federal government to issue up to \$200 million in Hula Mae bonds during 1983; the Authority is already authorized by the legislature to issue over \$200 million in Hula Mae bonds; the program is self-supporting, utilizing no state funds, your Committee feels that the State should take advantage of the program while it is still available. Enacting this bill will ensure that the Hula Mae program will serve those groups that it was intended to serve, and not be limited in utilization to those periods when interest rates are low.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 817 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 131 Agriculture on H.B. No. 209

The purpose of this bill is to strengthen the law in the areas of surety bond levels for commission merchants, penalties for failure to renew a license, and administrative penalties for violations of Chapter 145, Hawaii Revised Statutes.

Our State farmers have suffered financial losses due to the failure of dealers to pay for produce supplied by farmers. The inability to prosecute violators in a timely manner has resulted in unfair treatment of our agricultural producers. Administrative penalties and an increase in surety bond levels are required to provide adequate protection for farmers.

Your Committee finds that although agricultural commodity merchants are protected for out-of-state sales of produce by the Federal Perishable Agricultural Commodities Act, violators involved in produce sales within the state are not adequately sanctioned. This bill will correct that problem.

Your Committee has received testimony from the Chairman of the Board of Agriculture and the Hawaii Farm Bureau Federation in support of this bill.

Testimony in opposition to this bill was received from the Hawaii Food Industry Association. Your Committee finds that the arguments made in that testimony are outweighed by the need to protect our farmers from the abusive tactics of violators.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 209 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 132 Agriculture on H.B. No. 211

The purposes of this bill are:

(1) To clarify that Section 142-12, Hawaii Revised Statutes (Penalties), applies to all violations of Chapter 142, HRS, Part I (Animal Diseases and Quarantine), where a penalty is not otherwise specified; and

(2) To increase the fine from \$500 to \$1,000 and imprisonment from six months to one year.

Your Committee has received testimony in support of this bill from the Chairman of the Board of Agriculture.

Your Committee finds that clarification of this statute is required to ensure penalties are provided for all violations of Part I, Chapter 142, HRS, and that the level of fines reflect current penalties for similar misdemeanors.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 211 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 133 Agriculture on H.B. No. 208

The purposes of this bill are to amend Chapter 147, Hawaii Revised Statutes, to:

- (1) Standardize the definition of commodities subject to grades and standards;
- (2) Allow the Department of Agriculture to impose administrative penalties;
- (3) Raise the level of fines; and
- (4) Allow the Department to set the commercial exporter license fee by administrative rule.

Your Committee has received testimony from the Chairman of the Board of Agriculture in support of this bill.

Your Committee finds that changes in Chapter 147, Hawaii Revised Statutes, are necessary to enhance the orderly marketing of agricultural commodities. Standardization of grades and standards as well as provision for administrative penalties for violations are also required.

Your Committee has amended this bill by correcting the following typographical errors:

- (1) Page 9, line 14: all of this line except the quotation mark should be underlined since it is in boldface in the statute.
- (2) Page 9, line 15: The term "NUTS, " should be underlined since it is in boldface in the statute.
- (3) Page 9, line 20: The first word "Department" should be followed by a closing quotation mark to agree with the statute.
- (4) Page 14, lines 5, 9, 12 and 16: Delete the word "any" and change the word "rule" to "rules". Retain all underlining.
- (5) Page 18, lines 6, 10, 13 and 17: Delete the word "any" and change the word "rule" to "rules". Retain all underlining.
- (6) Page 22, line 3: The final word "of" should read "or" to agree with the statute.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 208, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 134 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 753

The purpose of this bill is to amend subsection (a) of Section 202, Hawaiian Homes Commission Act, 1920, as amended, to correct the inconsistencies created by the reapportionment of state voting districts by the 1981 Reapportionment Commission.

Under present law membership on the Commission must include three residents of the City and County of Honolulu, one each from the Third Senatorial District, the Fourth Senatorial District, and the Fifth, Sixth, or Seventh Senatorial District. Neighbor island county representatives are selected on a county basis. This bill would change senatorial district representation from Oahu to island-wide representation.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 753 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 Bunda and Hee.

SCRep. 135 Finance on H.B. No. 276

The purpose of this bill is to require insurers to pay all examination expenses to the state general fund.

Although section 431-59, HRS, requires payment of examination expenses to the examiners directly, in actual practice, insurers have been requested by the Insurance Division to remit payments to the state general fund. This bill will amend the statute to embody the current procedure, to keep the examination account in line with the general budgetary procedures applicable to all state agencies.

Your Committee has amended this bill to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 276, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 136 Finance on H.B. No. 765

The purpose of this bill is to make clarifying amendments to certain provisions of the income tax and general excise tax laws.

One amendment clarifies filing requirements of resident and nonresident spouses under the income tax law. It would prevent a resident taxpayer with a nonresident spouse from filing a joint return, and thus taking advantage of exemptions available to those filing joint returns, without reporting the income earned by the nonresident spouse from sources outside of the State. Where both spouses change their status from resident to nonresident, or vice versa, during the taxable year, however, their income shall be apportioned according to its source.

This bill also amends the income tax law by substituting the word "number" for "amount" as it relates to exemptions claimed. Your Committee agrees that such change is proper as exemptions take the form of numbers and not dollar amounts.

Finally, section 237-7, Hawaii Revised Statutes, is amended to delete the term "nonprofessional" as it relates to the definition of a service business or calling. This would permit professional persons as well as nonprofessionals to be taxed on intermediary services under the general excise tax law, and would eliminate the problems of determining who are professionals and who are nonprofessionals.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 765 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 137 Finance on H.B. No. 72

The purpose of this bill is to establish a nursing home without walls demonstration project under the department of social services and housing to provide extended home services to certain persons who are chronically ill and disabled patients who are certified as requiring skilled nursing or intermediate level care.

Your Committee agrees that the development of more economical methods of home care services should be the primary focus of state action, and that extended home care services are intended to serve as a single point of entry and access to a comprehensive and coordinated program of care for the aged and chronically ill. Toward this goal, this bill:

- (1) Provides that the demonstration project be limited to the island of Oahu from July 1, 1983, to June 30, 1985;
- (2) Specifies that patient eligibility and the patient care expenditure ceiling shall be based on the pertinent aspects of the Medicaid program;
- (3) Computes the patient care expenditure ceiling on an annual basis;
- (4) Provides that patients may accrue "paper credits" for funds not utilized under the patient care expenditure ceiling which may be applied against later higher service requirements;
- (5) Establishes a total project expenditure ceiling at not more than 75 per cent of the Medicaid cost of serving the project's patients;
- (6) Provides that services should be those economically feasible, including the use of informal care providers, contracted agency and individual providers, and project personnel;
- (7) Establishes a project advisory council;
- (8) Exempts the project from licensing or certification requirements of the department of health or the state health planning and development agency;
- (9) Requires the adoption of appropriate rules; and
- (10) Exempts project personnel from civil service provisions.

Your Committee has rewritten this bill in its entirety to conform to legislative drafting style, to clarify definitions, to use terms consistently throughout the bill, and to delete the appropriation provision.

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

Signed by all members of the Committee.

SCRep. 138 Public Employment and Government Operations on H.B. No. 83
(Majority)

The purpose of this bill is to reduce the administrative burden of maintaining records of an ever increasing number of property owners which under the existing law must be retained until owners submit claims for their properties.

Your Committee is in agreement to the amendment that the State terminate its custodianship of abandoned property and escheat the property or funds after a period of twenty years from May 29, 1974 or after the State takes custody of the property, whichever is later.

Under present law certain personal property that has remained inactive for a period of at least seven years is deemed abandoned and must be reported to the State. The unclaimed property is held in the perpetual custody of the State until the owner files a claim for the return of the property and may file a claim with the State any time.

According to testimony, the principle of escheating, which reverts unclaimed property to the State, would greatly lessen the program's administrative workload by reducing the number of owner accounts at any given time to a more predictable and stable level.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 83, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 83, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Grauly and Wong did not concur.)

SCRep. 139 Public Employment and Government Operations on H.B. No. 266

The purpose of this bill is to reflect in the deferred compensation law changes in the State tax law.

According to testimony, Act 7 authorizes the establishment of a State deferred compensation plan and allows the counties to participate in the State's plan or develop their own plans.

Compensation deferred under plans which are in accordance with Section 457 of the Internal Revenue Code are excludable from the computation of federal income taxes. There is also comparable provision in Section 235-2.3, HRS for exclusion from the computation of Hawaii State income taxes.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 266 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140 Public Employment and Government Operations on H.B. No. 263

The purpose of this bill is to amend Section 76-23, HRS to make recall lists first in the sequence of lists from which names are to be taken when certifying eligibles to fill vacant positions. Promotional lists shall become second, and reemployment and open competitive lists shall remain third and fourth, respectively.

According to testimony, collective bargaining contracts for Units 2, 3, 4, 11, and 13 presently contain a provision requiring that in a reduction-in-force (RIF) situation, the affected employees shall have priority for placement in the vacant positions for which they are referred.

Your committee is in agreement that this proposal would assure equal treatment of both included and excluded employees in situations involving reductions-in-force.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 263 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141 Public Employment and Government Operations on H.B. No. 233
(Majority)

The purpose of this bill is to expand the situations wherein members of the National Guard may be ordered to active service by the Governor.

Your Committee is in agreement with this bill which amends Section 121-30, Hawaii Revised Statutes, to authorize the governor to order the National Guard to active service such as protocol assignment, civil defense training exercise, and to provide assistance at numerous special departmental functions.

Your Committee also believes that these amendments are necessary to facilitate the compensation of National Guard personnel called upon to perform state and department related functions.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 233 and recommends that it pass Second Reading in and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Levin did not concur.)

SCRep. 142 Public Employment and Government Operations on H.C.R. No. 16

The purpose of this house concurrent resolution is to request and authorize the Speaker of the House of Representatives and the President of the Senate to appoint the appropriate

standing committee of the Legislature to conduct a joint review of state and county functions and responsibilities and to define state and county financial powers and resources in consonance with those responsibilities.

Your Committee finds that an evaluation of state and county functions and responsibilities is timely and should, in particular, precede any authorization of increased taxing powers for the counties.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 16 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 143 Agriculture on H.R. No. 49

The purpose of this resolution is to request the Department of Agriculture to explore the feasibility of establishing a revolving fund to assist major agricultural industries during economic emergencies.

Your Committee finds that this measure should include provision for assistance to all sizes of agricultural operations in the State and for economic emergencies resulting from natural disasters.

Your Committee further finds that exploration into the feasibility of supplementing this revolving fund with some type of crop insurance program should also be investigated.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation and Hawaiian Sugar Planters' Association. The Chairman of the Board of Agriculture also testified in support of this resolution and recommended that the study be conducted by the Legislative Reference Bureau.

Your Committee has amended the title of this resolution; added two new "WHEREAS" clauses; and made other changes in wording to reflect its findings.

Your Committee has further amended this resolution by directing the Legislative Reference Bureau to conduct this study.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 49, H.D. 1.

Signed by all members of the Committee.

SCRep. 144 Agriculture on H.C.R. No. 22

The purpose of this concurrent resolution is to request the Department of Agriculture to explore the feasibility of establishing a revolving fund to assist major agricultural industries during economic emergencies.

Your Committee finds that this measure should include provision for assistance to all sizes of agricultural operations in the State and for economic emergencies resulting from natural disasters.

Your Committee further finds that exploration into the feasibility of supplementing this revolving fund with some type of crop insurance program should also be investigated.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation and Hawaiian Sugar Planters' Association. The Chairman of the Board of Agriculture also testified in support of this concurrent resolution and recommended that the study be conducted by the Legislative Reference Bureau.

Your Committee has amended the title of this concurrent resolution; added two new "WHEREAS" clauses; and made other changes in wording to reflect its findings.

Your Committee has further amended this concurrent resolution by directing the Legislative Reference Bureau to conduct this study.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No.

22, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committee.

SCRep. 145 Public Employment and Government Operations on H.B. No. 206

The purpose of H.B. No. 206 is to provide legislative clarification so that the State Immigrant Services Center is authorized to enter into contracts for such services as may be necessary for it to carry out its statutory duties.

Your Committee is in agreement to modify grammar and syntax for better readability, and to authorize the State Immigrant Services Center to contract for services necessary in implementing its legal mandate, as well as to satisfy the provisions of Chapter 42, HRS, Relating to Grants Subsidies and Purchases of Service.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 206 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 146 Consumer Protection and Commerce on H.B. No. 915

The purpose of this bill is to restate, reiterate, and clarify the intent of the legislature in enacting sections 294-6(a) and 294-36(b), Hawaii Revised Statutes, concerning the barring of suits by uninsured motorists for injuries sustained in motor vehicle accidents.

That intent was originally, and still remains:

- (1) To prevent a person who is ineligible for no-fault benefits from bringing a civil action if the medical-rehabilitative limit is not reached within two years of the date of the motor vehicle accident, and
- (2) To deter persons from driving without motor vehicle insurance coverage not only through criminal penalties, but further through a limitation on the ability of uninsured motorists to recover for injuries in tort which is more stringent than the limitation placed on law-abiding citizens who have obtained the insurance coverage required by law, and who are thus entitled to no-fault benefits.

Testimony in support of the bill was provided by the Department of Commerce and Consumer Affairs, the Hawaii Insurers Council, and the Hawaii Independent Insurance Agents Association.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 915 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 147 Consumer Protection and Commerce on H.B. No. 428

The purpose of this bill is to exempt electric power companies providing service to only 1 island, which has a population of 10,000 or less, from the public service company and public utility franchise taxes, and require the public utilities commission to order that this tax savings be passed on to the company's residential customers in the form of a rate reduction.

Testimonies, both supporting and commentary in nature, were provided by Representative Clayton Hee, the Department of Planning and Economic Development, the Legislative Tax Bill Service, and Molokai Electric. The Department of Taxation opposed the bill's passage.

The bill applies only to Molokai Electric Company and your Committee recognizes the company's financial plight and pressing need to reduce operating expenses. The

company is the sole electric utility on the island of Molokai and your Committee wishes to assist in assuring its continued existence.

Your Committee, however, recognizes 2 constitutional issues related to the bill. The first relates to comments received that Article VIII, Section 5, of the State Constitution may apply. This provision requires the State to share in the cost of any new program or increase in level of service of an existing program mandated upon a county. Exemption from taxes, however, is not a program and therefore, your Committee believes that Article VIII, Section 5, is inapplicable.

A second constitutional issue concerns Article XVIII, Section 6 which relates to transfer of the real property taxation function to the counties in 1980. This constitutional provision states that any new and further real property tax exemptions may be established only by a majority of the counties by ordinance. Key to this bill, therefore, is whether the public service company and franchise taxes, because they are paid in lieu of property taxes, fall within the constitutional article. Although your Committee believes that public service company and franchise taxes are not real property taxes, a legal opinion has been requested from the Attorney General.

Your Committee has amended the bill to apply to calendar years 1983 and 1984.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 428, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 148 Consumer Protection and Commerce on H.B. No. 966

The purpose of this bill is to require all insurers to issue for each insured motor vehicle a no-fault decal showing the existence of a current no-fault policy.

The no-fault decal is aimed at improving the enforcement of the no-fault law by increasing the visibility of those who have failed to comply with the law.

The Department of Commerce and Consumer Affairs gave testimony in support of the bill by stating that the decal system will permit greater enforcibility of the sanctions available under Chapter 294, Hawaii Revised Statutes. The Department of Commerce and Consumer Affairs suggested that the Committee consider directing all or part of the monies collected under section 294-39, Hawaii Revised Statutes, to the Assigned Claims Program.

The Hawaii Insurers Council provided testimony in support of the intent of the bill. The Council expressed concern about additional administrative procedures necessitated by the implementation of the no-fault decal system. The Council recommended utilizing the present safety inspection procedure by requiring service stations to check for the existence of no-fault cards prior to issuing an inspection sticker.

The Council and other representatives of the insurance industry conceded, however, that many insurers issue no-fault insurance cards to those who have not yet paid their premiums; these card-holders therefore do not have the no-fault insurance required by law. Furthermore, other motorists obtain no-fault insurance cards and later cancel their policies or fail to pay their premiums. Thus, under the present system, violators of the no-fault insurance law can have in their possession no-fault insurance cards without actually having any insurance coverage. The no-fault decal system seeks to rectify this situation by placing in higher visibility those who fail to comply with the law.

The Council suggested that the bill be amended to contain a sunset provision so that the decal system would be evaluated after 3 years from the effective date. Your Committee feels, however, that such a provision would not reflect the real concern it has for the innocent victims of uninsured motorists and about those who benefit from the privilege of driving without accepting the concomitant responsibility of obtaining and maintaining no-fault insurance.

The Hawaii Independent Insurance Agents Association gave testimony in support of the bill and stated that it is an important step in resolving the practical aspects of implementing a no-fault decal system without adding to insurers' administrative costs which might then increase premiums. The Association commended the requirement

of filing proof of financial responsibility when a person is convicted of operating an uninsured motor vehicle. The Association expressed concern regarding the provision which requires the insured who wishes to cancel or terminate a no-fault policy and requests premium refunds to return the identifiable decal to the insurer. The Association requested that the Insurance Division of the Department of Commerce and Consumer Affairs be responsible for resolving any disputes which might take place between an insured and the insurer as to what constitutes an "identifiable decal." The Insurance Division did not feel it should be involved in such disputes but said it would establish rules and guidelines for insurers to follow.

State Farm Insurance Company in Hawaii testified in favor of the amendment in the bill which increases the fine amount. The Company also praised the bill for requiring proof of financial responsibility upon conviction of failure to have a no-fault policy, a no-fault card, or a valid no-fault decal. Concern was expressed about implementation and effectiveness of the no-fault decal system.

Your Committee recognizes the need for the Assigned Claims Program which is administered by the Insurance Division of the Department of Commerce and Consumer Affairs. The Assigned Claims Program provides a source of compensation for those persons injured in accidents by uninsured motorists through the assignment of claims to insurance companies on the basis of their premium volume.

Accordingly, your Committee has amended this bill to provide that of the \$500 collected in fines from each person found guilty of operating an uninsured motor vehicle, \$400 shall be directed into the Assigned Claims Program and \$100 shall be directed to the General Fund. Thus, those persons found guilty of operating uninsured vehicles would contribute directly to a source of compensation for those injured by uninsured motorists. Your Committee feels that a further benefit of the Assigned Claims Program being partially funded by fines is that the cost of having the Program covered by insurance companies would decrease; all policyholders would thereby benefit from this arrangement.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 966, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 149 Housing on H.B. No. 814

The purpose of this bill is to reduce the time in which tenant delinquent rent accounts for federal low-rent housing units must remain on the accounts receivable records of the Hawaii Housing Authority.

The federal Department of Housing and Urban Development (HUD) informed the Hawaii Housing Authority (HHA) that one of their highest management priorities this year is to reduce the tenants accounts receivables to less than one per cent for each public housing agency in Region IX. HHA's delinquency rate is five per cent. HUD informed HHA that unless the rate is reduced, the Authority will experience a decrease in the amount of future discretionary funding. The Authority may lose approximately \$8 million in such discretionary funds.

Your Committee heard testimony that the high delinquency rate is primarily attributable to HHA's accounting procedures. Section 40-82, HRS, requires that no delinquent accounts be deleted from the department's records unless the accounts have been delinquent for two years. This time period is considerably longer than the time period most public housing agencies are required to comply with.

Your Committee is concerned with the possible loss of \$8 million in federal money to HHA. Your Committee finds that HHA's accounting policy should be brought into line with the policies of other public housing agencies by reducing the time period in which delinquent rent accounts must remain on HHA's records, from two years to 90 days. Your Committee was assured that appropriate collection action will continue to be taken on the delinquent accounts regardless of whether or not they are dropped from the account books.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 814 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 150 Housing on H.B. No. 716 (Majority)

The purpose of this bill is to assist the counties in carrying out their responsibilities to provide low and moderate income and gap group housing by authorizing an additional source of revenue for county housing programs. This bill would increase the real estate conveyance tax rate from five to fifteen cents per one hundred dollars of the actual and full consideration of the conveyance or transfer of realty or interest in realty subject to the real estate conveyance tax. The additional revenues generated by the conveyance tax rate increase shall be disbursed to county housing assistance funds on a quarterly basis. The bill also imposes a one percent surtax on the conveyance or transfer of realty or interest in realty which has been conveyed or transferred at least once within the previous twelve-month period.

Your Committee believes that passage of this bill will materially support county housing assistance programs. Your Committee finds that increasing the real estate conveyance tax rate and imposing a surtax on the discretionary conveyance or transfer of realty or interest in realty held for less than twelve months is an equitable means of raising public housing assistance revenues. Concern over the impact of a one percent surtax must be tempered by: (1) recognizing that the amount of the surtax will, in most cases, be fairly small in comparison with the non favorable federal tax treatment of any conveyance or transfer of realty or interest in realty which does not qualify for long-term capital gains; and (2) the lack of available information regarding the conveyance or transfer, due to death, divorce or illness, of realty or interest in realty which has been conveyed or transferred at least once within the previous twelve months.

Your Committee considered exempting from the surtax those instances where the transfer of realty or interest in realty held for less than twelve months occurs as a result of "financial distress" attendant to, for example, death or divorce. However, your Committee believes it is a responsible approach to refrain from exempting from the surtax persons conveying or transferring realty or interest in realty due to death, divorce or illness until sufficient data has been collected to justify such exemptions. Your Committee also believes that, rather than across the board exemption of such conveyances or transfers, standards should be developed to clearly identify the level of "financial distress" which would reasonably exempt conveyances or transfers from imposition of the surtax. Your Committee has not received any verifiable indication of the number of "financially distressed" individuals who may be adversely affected by the surtax and therefore, has no factual basis for establishing surtax exemptions.

Your Committee has amended Section 5 of the bill to provide January 1, 1984 as the effective date of this measure. Your Committee has also made technical, non-substantive changes to the bill in conformance with the Ramseyer format for statutory amendment.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 716, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Jones did not concur.)

SCRep. 151 Judiciary on H.B. No. 191

The purpose of this bill is to provide supplemental police protection services in the Hawaiian Beaches community on the island of Hawaii through an appropriation of \$5,000.

Hawaiian Beaches has a community patrol program which helps reduce crime and vandalism in that area and assists during emergencies or disasters. Members of the community patrol group serve voluntarily and furnish their own cars.

Monies provided would go for equipment for patrol and disaster use and would be expended by the County of Hawaii.

Your Committee recommends the appropriation of \$5,000.

Your Committee received testimony from the Hui Kahakai Association in support of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 191 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 152 Transportation on H.B. No. 330

The purpose of this bill is to amend current statutes to provide the Department of Transportation with sole authority for planning, designing, and constructing airport facilities without the need for county approval. The bill also authorizes the department to acquire excess federal lands as permitted by the Federal Aviation Act of 1958.

In its current form, Section 261-4, HRS, provides that airport facilities shall be constructed by the Department of Accounting and General Services. However, for many years, authority for this work has been delegated to the Department of Transportation (DOT) with positive results.

Your Committee finds that the DOT's Airports Division has developed special expertise in planning, constructing, and maintaining airports. Because the Division, in accordance with its responsibilities, is in the best position to coordinate the development of airport facilities, your Committee finds that the DOT should be provided with clear authority over airport construction to ensure efficient and appropriate development of the state airport system.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 330 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 153 Transportation on H.B. No. 552

The purpose of this bill is to maintain a workable number of commission members in the Commission on Transportation following the reapportionment of State electoral districts in 1982.

Under existing law, one commission member is to be selected from each senatorial district, which previously numbered eight, and three members are to be selected at-large, for a total of eleven members. Following reapportionment and the establishment of twenty-five single-member districts, the commission's membership would expand to twenty-eight, an unnecessarily large size.

The present bill would provide the Commission with a manageable membership size of thirteen, with one member from each county under 200,000 in population, one from each "district" in each county over 200,000, and three at-large members. "District" would be as defined in Section 4-1, HRS. Your Committee finds that setting a population threshold of 200,000 would be consistent with state and federal standards for other programs, would equitably allow Oahu to obtain greater representation in accordance with its greater population and service needs, and would provide a stable basis for the selection of members inasmuch as no neighbor island is expected to exceed this population in the near future and the number of districts specified in Section 4-1 has not changed in over 20 years.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 552 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 154 Ocean and Marine Resources on H.B. No. 53

The purpose of this bill is to enact a new chapter on aquaculture which will facilitate the development of an aquaculture industry in this State and establish an aquaculture coordinating, development, and advisory council.

Your Committee finds that Hawaii is an excellent location for aquaculture. The State has year-round warm water temperatures and sufficient land for fresh, brackish, and saltwater aquaculture. Your Committee finds that the expansion of aquaculture in Hawaii can help to achieve broad State goals by providing a greater number and wider range of employment opportunities and by contributing to the balance of trade by increasing exports of aquatic products and substituting locally farmed aquatic products for imports. Your Committee further finds that diversifying the economics of all islands leading to self-reliance in food production would reduce development pressure on agricultural

lands, preserve the life-style of rural residents, and maintain the quality of life in the Islands through the wise use of the State's natural and human resources.

Your Committee has heard testimony from several sources, including the Chairperson of the Department of Land and Natural Resources and the Deputy Director of the Department of Planning and Economic Development. All testimony received strongly supports or expresses general accord with the intent and purposes of this bill.

Your Committee has duly noted and considered the various recommendations and concerns expressed at the public hearing held on February 17, 1983. Your Committee, upon consideration, has amended the bill as follows:

- (1) Page 2, line 5, by inserting a new definition for "Aquaculture", meaning "the farming or ranching of any plants or animal species in a controlled salt, brackish, or freshwater environment; provided that the farm or ranch is on land".
- (2) Page 2, line 10, by inserting a new definition for "Council", meaning the "Hawaii Aquaculture Industry Development Council".
- (3) Page 3, line 17, by adding a new phrase "developing, and demonstrating new species and systems," after the word "including".
- (4) Page 3, line 24, by adding a new paragraph 11 and renumbering the paragraphs accordingly.
- (5) Page 4, line 18, by adding a new paragraph numbered 18.

Your Committee has further amended the bill by deleting in its entirety Part II "Registration; Prohibited Activities", and by inserting a new Part II, "Hawaii Aquaculture Industry Development Council." This new Part II establishes the Hawaii aquaculture industry development council, the composition of its members, and their power and duties.

Your Committee has amended the bill by adding a completely new Part III on the "Ad Hoc Aquaculture Committees Appointed by the Governor." This new Part III permits the governor to appoint ad hoc aquaculture industry development committees deemed necessary to further the expansion of the industry and establishes the general composition of its members.

Your Committee has also amended the bill by renumbering the subsections of Part IV.

Your Committee has further amended the bill by deleting all of Section 6, and renumbering the various sections accordingly.

Your Committee has also made technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 53, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 53, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 155 Health on H.B. No. 71

The purpose of this bill is to delete the classification level restriction, presently set at the entry or next level, for registered professional nurses (RPN's) serving school health complexes.

Your Committee finds that the existing restriction creates a two-tiered system of health care delivery to the state's 27 school health complexes. School health nurses must function as RPN III's although they may possess the qualifications to perform as RPN IV's. For example, RPN III's are confined to episodic care, the referring of follow-up cases and the requesting of home visits to level IV public health nurses. Your Committee finds these restrictions impractical and inefficient since RPN III's may be qualified to follow-up, visit homes, etc. The existing classification levels have caused 12 school health complexes to cut back on health care delivery.

Your Committee finds that approximately 16 school health nurses are classified as RPN III's and that allowing them to seek qualification as RPN IV's would require additional state funds totalling \$33,000 per year, at most.

Your Committee recognizes that the school health nurse position is unique among RPN's. For example, a school health nurse follows the educational calendar system with 9 months of school and 3 months of vacation. Rather than delete the classification restriction completely, your Committee raised the restriction to that of a level IV position. Your Committee has amended the bill by inserting the phrase, "at Level IV", after the bracketed deletion of line 5.

This bill also refers to the school health services advisory committee. Your Committee finds that the school health advisory committee was repealed in 1981 and that reference to it in this section of the statutes is an oversight that should be corrected. Your Committee notes that H.B. No. 246 also proposes this correction but intends to utilize H.B. No. 71 as the vehicle. Your Committee has amended the bill by deleting this reference on line 7 and line 8.

Your Committee is in accord with the intent and purpose of H.B. No. 71 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 71, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 156 Health on H.B. No. 1154

The purpose of this bill is to increase the membership of the developmental disabilities council from the present 15 voting members to 25 voting members.

Your Committee finds that the existing council lacks representation from maternal and child health, crippled children and mental health programs while proposed federal regulations would encourage inclusion of these programs.

The developmental disabilities council is composed of the developmentally disabled and other consumers, parents, and state agency representatives. Your Committee finds that ten additional members would provide a broader perspective of developmental disabilities issues and better redistribute the amount of work among members.

Your Committee understands that the ten additional members would be Oahu residents, thus travel and other additional expenses would not be required.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1154 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 157 Health on H.B. No. 1144

The purpose of this bill is to change the statutory basis for the provision of services to developmentally disabled persons.

Your Committee finds that existing statutes do not directly address community services for the developmentally disabled, a situation that leaves gaps and creates inconsistencies regarding community services to the developmentally disabled.

The community services to the developmentally disabled branch presently functions under statutory language that directs services to the mentally retarded. The branch provides services to a limited number of developmentally disabled who are not mentally retarded but who are former residents of Waimano Training School and Hospital. Your Committee finds that if the statutory base is not changed, these services will be terminated and the name of the branch will be changed to the "mental retardation branch".

There are developmentally disabled individuals with severe multiple handicaps who are not mentally retarded. Your Committee finds that existing statutes, which do not distinguish developmental disability from mental retardation, force persons to fit services when the statutes should direct services as a response to needs.

Presently, contracts for service are limited to mentally retarded individuals with

developmental disabilities while many non-retarded, developmentally disabled individuals may not be served. Examples include individuals with cerebral palsy, autism, and infants who are physically disabled, developmentally delayed or at risk of developing such developmental disabilities.

Your Committee finds that the bill would authorize services for the non-retarded, developmentally disabled person and clarify the inconsistency that exists in the statutes. Your Committee recognizes that the statutory change does not entail funding.

Your Committee is in accord with the intent of H.B. No. 1144 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 158 Tourism on H.R. No. 40

The purpose of this house resolution is to request the United States Immigration and Naturalization Service and the United States Customs Service to review their respective processing procedures for foreign visitors and explore methods to facilitate the process including the establishment of pre-clearance procedures for Japanese visitors.

Your Committee finds that in the past the immigration and customs processing time has been shortened considerably by the augmentation of U.S. immigration and U.S. customs service personnel but problems are still apparent due to multiple plane arrivals, language problems, and the need to process both immigrants and visitors among foreign arrivals.

There is evidence that the development of pre-clearance procedures for U.S. immigration and customs at the points of departure would expedite the processing of Japanese visitors as has been shown by the pre-clearance procedures for Canadian visitors who complete their processing at Canadian airports.

Your Committee has amended this resolution to include the United States Travel and Tourism Administration in order to provide a more complete review of the processing procedures for foreign visitors and to submit certified copies to Hawaii's Congressional Delegation to make them aware of this situation.

For the purpose of clarification your Committee has amended BE IT RESOLVED of the resolution by inserting the phrase "are requested to" before "review their respective processing procedures for foreign visitors".

Your Committee on Tourism 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. 159 Judiciary on H.B. No. 14

The purpose of this bill is to make an appropriation to fund training programs for the criminal justice agencies pursuant to guidelines established by the Attorney General.

Your Committee has heard testimonies from the Attorney General, the Honolulu Prosecutor, and the Honolulu Police Department on the benefits and successes of the programs in providing training on a statewide cooperative basis. The prosecutors of the four counties have jointly and cooperatively used program funds to maximize benefits in sponsoring basic and advanced prosecutorial courses, personnel training, and seminars.

Your Committee finds that in order to implement an effective program to combat crime, there must be highly skilled and specially trained persons in the various components of the criminal justice system, such as the department of the attorney general, the county departments of police and prosecuting attorneys, the corrections division of the department of social services and housing, the statewide intake service centers, and personnel of the judiciary branch of government involved with criminal cases. The office of the state public defender is not an agency eligible to receive funds for training of personnel as your Committee believes that the objectives of the office of the public defender is counter to the training of those agencies involved in prosecuting programs.

Your Committee has amended the bill by adding a provision requiring the Attorney General to prepare an annual report and submit it to the legislature prior to the start of the next legislative session. Your Committee feels that efforts should also be made among the eligible criminal justice agencies to coordinate their activities with other state agencies such as the Hawaii Institute for Management and Analysis in Government and Department of Personnel Services.

For the purposes of consistency, your Committee has also amended the bill by renumbering sections 2, 3, and 4 to sections 3, 4, and 5 respectively.

Your Committee feels that these training programs are necessary to strengthen the criminal justice system. Accordingly, your Committee is recommending an appropriation of \$300,000 for the next fiscal year.

Your Committee on Judiciary is in agreement with the intent and purpose of H.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 14, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 160 Judiciary on H.B. No. 17

The purpose of this bill is to make an appropriation to fund the Witness Security and Protection Program which provides security and protection to government witnesses. Providing protection assures the safety and comfort of victims and witnesses and increases the chances of witnesses testifying.

Your Committee has heard testimony from the Honolulu Police Department, the Attorney General, and the Honolulu Prosecutor who testified for the need for continued funding. They have informed your Committee that the particular focus of the program is on cases involving career criminals, violent offenders, and organized crime. The high cost of witness protection particularly burdens the neighbor island counties. Cases arising on the neighbor islands often have statewide impact, especially in the area of organized crime, and this program has enabled prosecution to go forward by providing funds for the protection of witnesses.

Your Committee has amended the bill by providing an appropriation of \$500,000. Your Committee has also amended the bill by requiring the office of the attorney general to submit to the legislature an annual report with regards to the programs and expenditures of the witness security program prior to the start of the next legislative session.

For the purposes of consistency your Committee has also amended the bill by renumbering sections 3 and 4 to 4 and 5 respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 17, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 17, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 161 Judiciary on H.B. No. 387

Your Committee has carefully scrutinized the Judiciary budget. The budget presents clearly the magnitude of case filings and backlogs, the programs that need to be implemented in response to recently enacted statute and past legislative policy direction, and the dilemma that the Judiciary faces of having to fund activities and programs previously performed or paid by other governmental agencies.

The Judiciary has clearly stated goals for its total organization as well as for its individual programs, and has successfully developed an integrated hierarchy of related plans which are linked with resource allocation decisions. Its program objectives for court operations are explicit and measurable and instill an element of accountability into the budgetary process.

Your Committee's initial approach was to strive to ensure that the Judiciary budget adheres to the ceiling prescribed in HRS 37-92. As presented to the Legislature, the Judiciary budget would exceed such ceiling by \$6.4 million in fiscal year 1983-84 and be below such ceiling by \$2.5 million in fiscal year 1984-85.

Upon close scrutiny, however, it became evident that the ceiling, as calculated for the Judiciary, is artificial and arbitrary because recent transfers of responsibilities to the Judiciary from other governmental agencies and new laws and other legislative directives have made it impossible for the Judiciary to respond to the growth in case filings. For example, the Judiciary is now responsible for managing and maintaining those facilities where it is the sole user. Other examples of program transfers are the transporting of pre-trial detainees, a function formerly carried out by the Department of Social Services and Housing; court security, formerly provided by the Department of Attorney General; serving of misdemeanor warrants, previously handled by the Police Department; and legal services, previously provided free-of-charge by the Department of Attorney General. Examples of new laws and other legislative directives include Act 303, SLH 1980 which mandates establishment of intake agencies for juveniles; Act 251, SLH 1982 which impacts the Judiciary's counseling, driver education, and community service sentencing programs; and HR 632, SLH 1981 which directs the Judiciary to be responsible for placement of juveniles in need of temporary high control shelter care.

By adjusting the ceiling for transfers only, your Committee has arrived at an adjusted ceiling of \$36,210,730 for fiscal year 1983-84 and \$39,759,382 for fiscal 1984-85. Your Committee's budget recommendations take into consideration this new ceiling. The new ceiling places restraints on the Judiciary's ability to respond to the growth in case filings, but leaves intact the various program components that will enable the Judiciary to work towards attaining its goals and objectives. Your Committee is fully cognizant that the Committee on Finance must assess the overall fiscal constraints facing the State and may need to alter the spending levels recommended by your Committee. Should the spending levels need to be altered, we respectfully urge the Committee on Finance to keep the Judiciary budget in proper perspective and to also be aware that the primary forces which have impacted the budget are forces outside the control of the Judiciary.

Your Committee also notes that the Judiciary has taken proper steps in two other areas relating to the budget: Spending restrictions in the current year and implementation of HRS Chapter 42 relating to grants, subsidies, and purchases of service.

With respect to HRS Chapter 42, your Committee has reviewed the Judiciary's efforts and notes that the required rules and regulations have been promulgated and forms for the application process developed. The application forms were specifically designed for private organizations, and they are concise and solicit the kinds of information Chapter 42 requires.

It is now clearly a decade since the Budget Act of 1970 was enacted and, with it, the development and installation of planning-programming-budgeting. The Judiciary's budget submission comes close to meeting the requirements of PPB and we are encouraged by the kinds of information made available to enable the Legislature to be the policymakers of resource allocation decisions. Your Committee urges the Judiciary to continue to improve its capability to perform relevant and sophisticated program analysis and evaluation of performance, and to actively implement planning at all levels of management in the Judiciary. This in essence will form the basis for assisting Judiciary management, and the Legislature as well, in making sound decisions today in light of tomorrow's uncertainty.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 387, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 162 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 253

The purpose of the bill is to amend Section 171-60(a), Hawaii Revised Statutes, in order to reinstate a major part of the subsection which was inadvertently deleted by Act 199, Session Laws of Hawaii 1981. As amended, the subsection contains none of the standards and procedures which are required to be followed, thereby effectively precluding the Board of Land and Natural Resources from leasing any public land or entering into development contracts with private developers.

According to testimony, the part of the bill affecting Section 171-60 was designed to eliminate surplus language from the section but, in doing so, it also inadvertently deleted a majority of the section. Therefore, H.B. No. 253 is an administrative measure

to restore to Section 171-60 the provisions which were deleted by Act 199 of the 1981 session.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 253 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163 Higher Education and the Arts on H.B. No. 361

The purpose of this bill is to provide a grant-in-aid of \$50,000 to the Friends of Waipahu Cultural Garden Park to enable the Friends to continue in their efforts to preserve cultural practices, records, artifacts, and buildings related to the Hawaii plantation experience, all of vital importance to those who are concerned about the history of Hawaii and its people.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 361, and recommends that it pass Second Reading, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 164 Human Services on H.B. No. 320

The purpose of this bill is to amend current statutes to meet the requirements of P.L. 93-647, Social Services Amendment of 1974.

The State Plan of Cooperation pursuant to the Social Services Amendment of 1974, P.L. 93-674, requires consideration of application of a specific criteria in determination of the amount of support obligation arrearage when not established by previous court order. This criteria in the Federal Regulations is to be considered by the court in the establishment of the debt. The amendment is sought to include this criteria in the applicable statute.

Your Committee finds that current law broadly establishes that public assistance for a child constitutes a debt by the natural or adoptive parents; applying this broad criteria has not been practical.

Your Committee agrees that this bill will establish criteria which provides equitable means for determining child support obligation. It gives consideration to income and assets of the absent parent as well as the needs of the dependent child.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 320 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165 Transportation on H.R. No. 62

The purpose of this resolution is to request the State Department of Transportation to conduct a study of the state highway fund and make recommendations as to possible alternative methods of funding Hawaii's road needs.

Your Committee heard testimony from the State Department of Transportation recommending that participation in the study be expanded. Therefore, your Committee has amended H.R. No. 62 in order to request the State Department of Transportation to spearhead a task force to conduct the study and the Director of Transportation to chair the task force and to request participation from the House and Senate Transportation Committee Chairmen and two other members from each of these Committees, the Director of Budget and Finance, the Director of Taxation, a representative of the Hawaii Automotive Retail Gasoline Dealers Association, a representative of the Hawaii Transportation Association and other interested parties.

Accordingly, your Committee has retitled H.R. No. 62, "HOUSE RESOLUTION REQUESTING A STUDY OF THE STATE HIGHWAY FUND AND RECOMMENDATIONS AS TO POSSIBLE ALTERNATIVE METHODS OF FUNDING HAWAII'S ROAD NEEDS".

Your Committee amended the fourth "WHEREAS" clause to reflect the fact that the fuel tax is a primary, but not the only funding source for the state highway fund.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 62, H.D. 1.

Signed by all members of the Committee.

SCRep. 166 Transportation on H.R. No. 63

The purpose of this resolution is to request the State Department of Transportation to conduct a study updating prior studies regarding the feasibility of an interisland water transportation system for the transportation of people and goods including a study of the costs and feasibility of a state-owned and state-operated system.

Your Committee heard testimony of the State Department of Transportation that numerous technical studies of a Hawaii ferry system have been conducted as well as studies of the feasibility of a state-owned and state-operated system. The testimony indicated the Department could conduct an in-house update of the financial aspects of the most recent studies.

Therefore, your Committee adopted the recommendation of the Department of Transportation to provide that the study be limited to an update of the financial aspects of a ferry system and that the study be conducted in-house by the Department. Your Committee also amended the second "WHEREAS" clause to include reference to changes in economic conditions since the 1976 studies. Your Committee also made some technical, nonsubstantive amendments to the resolution.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 63, H.D. 1.

Signed by all members of the Committee.

SCRep. 167 Public Employment and Government Operations on H.B. No. 223

The purpose, of this bill is to appropriate funds for wage and other adjustments for Executive, Judiciary and Legislative employees excluded from collective bargaining in Fiscal Biennium 1983-85.

Under present law Section 89C-2 stipulates that the compensation, hours, terms and conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the chief executive of the State, the board of education, the board of regents, or the chief justice, as applicable. Section 89C-5 further stipulates that any such adjustment which constitute cost items shall be subject to appropriation by the legislature.

Since such adjustments will not be formulated in time to include the resulting cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 223 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1308

The purpose of this bill is to improve the procedures used to report land dispositions subject to legislative disapproval in the interest of greater clarity and effective monitoring of such activities.

Under present law the Department of Land and Natural Resources is required to submit a written report annually to the Legislature, within ten days of the convening of each regular session, of all land dispositions made in the preceding year, including those

which are subject to legislative disapproval. Your Committee finds that the land exchanges, such as quitclaims, and other land dispositions which are subject to legislative disapproval are difficult to identify readily because they are lumped together with land dispositions not subject to legislative disapproval. Therefore, the bill would amend Section 171-29, Hawaii Revised Statutes, to require that the dispositions subject to legislative disapproval be identified separately from those not subject to legislative disapproval and be further grouped and listed according to type or class of disposition.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1308 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 169 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1092

The purpose of this bill is to authorize and establish voluntary procedures by which federal, state, and county agencies and authorities may consolidate their review of permit applications for projects in the State.

According to testimony, adoption of the bill would simplify permit application review procedures and expedite the process between the conception of a project and its implementation, especially for any project requiring multiple permits. It was noted that under the bill agency participation would be voluntary.

The bill proposes that the lead agency to carry out the function of consolidated application procedures would be the Department of Land and Natural Resources. Your Committee is of the opinion that the Department of Planning and Economic Development would be better suited to carry out the coordinating function spelled out in the bill, for it has already reviewed the State's permit application procedures. Therefore, Section 5 of the bill has been amended to designate the Department of Planning and Economic Development as the lead agency. Section 6 has been amended likewise.

Your Committee also is of the opinion that no appropriation is necessary to carry out the function assigned by the bill. Therefore, Section 8 of the bill has been deleted.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1092, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1046
(Majority)

The purpose of this bill is to authorize the fire chief of each county in the State to require landowners, both public and private, to build firebreaks when the land is used for pasture or agricultural purposes and is adjacent to residential areas.

The bill proposes to minimize the risk of danger, caused by brush or land fire, to occupied residential areas. The fire chief would assure this by ordering the clearance of refuse and uncultivated undergrowth from public and private pasturage and agriculture lands.

Non-substantive and other technical amendments have been made. The bill lacks proper underscoring of proposed new statutory materials.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1046, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Bunda, Crozier, Hee, Kiyabu-Saballa, Nakata,
Okamura, Takamine and Isbell.)

SCRep. 171 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 702

The purpose of this bill is to appropriate general fund moneys to supplement those to be used by the Office of Hawaiian Affairs (OHA) for its operations.

Your Committee has heard and considered the request of OHA for general fund moneys and makes the following comments:

- (1) Your Committee has used, as have past committees, a "lump sum" approach to the budget for OHA. This is done to provide the necessary flexibility in the execution of OHA's administrative responsibilities. Exceptions to this rule are discussed below or provided for in the bill, or both.
- (2) State agencies have submitted budget requests on the basis of "current services". Roughly, this means last year's appropriation and program activities, minus non-recurring items plus seven per cent to provide for inflation. Your Committee recommends that this approach be used for OHA as well.
- (3) Because of the State's austerity program, state agencies have generally frozen vacant positions, and so has OHA. According to Budget Table BJ-1: Details of Personal Services (Operating Costs), one of the two additional positions for which the State agreed to jointly fund for fiscal year 1982-1983 is vacant. This position (in OHA 100) is not part of the jointly funded positions recommended for fiscal years 1983-1984 and 1984-1985. The other additional position recommended last year is in OHA 101 and is filled and therefore included in this bill.
- (4) The general fund request includes the payment of interest for equipment purchased on a long-term (sixty months) installment contract. Such contracts for regular state agencies are considered to be part of the long-term debt of the State and requires legislative approval. We are informed that OHA is not a "state agency" in this case. In any event, your Committee recommends that general fund moneys not be approved for this purpose on the principle that the State should not pay for expenses it could not, itself, legally incur.
- (5) The general fund request reflects, according to testimony and through confirmation in the agency's financial statements for the past and current years, that administrative salaries for positions are to be paid by the general fund. This causes the general fund to pay for fringe benefits of all positions while the OHA trust fund receipts escape this burden. The matter of who is responsible for administrative costs has been discussed and presumably settled in the past, and the "matching" requirement in past appropriations for OHA is the result. House Standing Committee Report No. 655-82 from the House Committee on Finance includes the following on this subject:
 - "1) OHA's budget request incorporates the idea that the State (General Fund) should pay for all of that agency's "non-program" costs--that "administrative" costs are not the responsibility of the agency's trust fund.

The rationale for this idea is that because the State created the agency, it should bear the financial burden.

It is the opinion of your Committee that the basic thesis for the idea should not be accepted. In the absence of any legal authority or mandate, and unless it can be shown that the administrative expenditures referred to do not benefit native Hawaiians, OHA should be treated like any other like agency created by the State."

Your Committee endorses the wording in this bill which requires matching. It should be emphasized that OHA programs are not initiated by the State and that the State participates in OHA's program funding because of its non-native Hawaiian beneficiaries. Your Committee further recommends that past accounting entries which reflect sole general fund responsibility for salaries be corrected.

Your Committee has considered and recommends that two new proposals be funded (jointly) in addition to the "current services" budget described above. The proposals are described below:

(1) OHA - Arcata Joint Venture:

General fund moneys (\$12,500) are recommended as the State's share in a joint venture between OHA and Arcata Associates, Inc. The venture will procure government contracts in the area of high technology support services. The State's share of profits, when realized, will be kept on OHA's books as state moneys and is to be used as a credit for the State's share of OHA's operational expenses.

(2) Minority Enterprise Small Business Investment Company (MESBIC):

General fund moneys (\$6,750) are recommended as the State's share in the development of a MESBIC Development Plan for OHA. The plan is to include a time-phased schedule for implementation, capitalization, management requirements, investment strategies, financial projections, and preparations for application. MESBIC is to be a leveraging vehicle and will address the need for long-term equity investment and debt financing to stimulate the growth and expansion of Hawaiian-owned businesses in the State.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 702, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172 Public Employment and Government Operations on H.B. No. 761

The purpose of this Act is to correct inequities in the compensation of certain public officers and specifically as the inequities apply to the Hawaii Public Employment Relations Board, the Public Utilities Commission, and the Labor and Industrial Relations Appeals Board.

According to testimony, Act 129, Session Laws of Hawaii 1982, provided for wage adjustments for department heads and other public officers on the basis of ten per cent wage increase effective July 1, 1981 and eight per cent effective July 1, 1982. The Board and Commission members affected by this bill received a ten per cent increase effective July 1, 1981 but did not receive the full eight per cent effective July 1, 1982. They received less than one per cent.

Your Committee is in agreement to grant the Board and Commission member the same eight per cent adjustment as was provided to other positions under Act 129. This adjustment would be retroactive to July 1, 1982.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 761 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173 Public Employment and Government Operations on H.B. No. 906
(Majority)

The purpose of this bill is to amend Chapter 89, Hawaii Revised Statutes, the Hawaii Collective Bargaining in Public Employment Law by including the entire Health Fund (benefits and contributions) as a negotiable item.

Under present law contributions to the Public Employees Health Fund and Benefits are not negotiable items under the collective bargaining law. Benefits are set by the trustees of the Health Fund and negotiated with the various carriers. The Legislature sets the level of the employer's contribution and the employee must pay the difference.

According to testimony, should both the benefit and contributions of the health fund

program be made negotiable, it will make the negotiation process more complicated and will raise health fund costs excessively. Your Committee has amended this bill to exclude from the subjects of negotiation the Hawaii public employees health fund, except the specific dollar amount of monthly contributions to be paid by the employers under section 87-4.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 906, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Stanley did not concur.)

SCRep. 174 Public Employment and Government Operations on H.B. No. 67

The purpose of this bill is to fund a joint interim committee of the House of Representatives and the Senate of the Twelfth Legislature to review State and county jurisdiction and responsibilities with regard to the provision of public services.

Your Committee is in agreement to the amendment in Section 2 that the joint interim committee shall consist of twelve members, six members appointed by the Speaker of the House and six members appointed by the President of the Senate. The Legislative Reference Bureau and the Office of the Legislative Auditor shall assist the joint interim committee in its review.

Your Committee is also in agreement to the amendment in Section 3 that there is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000 for fiscal year 1983-1984 for the purpose of this Act, including the hiring of necessary staff.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 67, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 67, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 175 Judiciary on H.B. No. 375 (Majority)

The purpose of the bill is to establish a tax fraud unit within the Department of Taxation by amending Chapter 231, Hawaii Revised Statutes.

The tax fraud unit will be responsible for the investigation and prosecution of tax fraud cases involving violations of state laws relating to the assessment, collection and payment of taxes. The unit will also be responsible for the investigation of wilful failure to report income or pay general excise or income taxes in cases where the Attorney General has reason to believe that a person is engaged in organized crime.

This bill will provide funding for a unit in the Department of Taxation which, with the aid of the Department of the Attorney General and specialized support personnel, will seek out and prosecute tax fraud. Placing it in the Department of Taxation will give the unit direct access to the information it needs to investigate and prosecute state tax fraud. The attorneys staffing the unit will be deputy attorneys general who have the needed powers of the Attorney General's office, such as subpoena and prosecution. This bill will appropriate \$400,000 for the establishment and operation of the tax fraud unit.

Your Committee has amended the bill by requiring that the unit be staffed with deputy attorneys general and other necessary personnel. In addition, "fiscal year 1983-1984" was inserted in section 2, and the lapsing provision of the bill was deleted in section 3 to correct a drafting error.

Your Committee has received supporting testimony for the establishment of the tax fraud unit from the Honolulu Prosecuting Attorney's Office, the Attorney General's Office, the Department of Taxation, the Hawaii Crime Commission and the Mason Contractors Association of Hawaii.

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

375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 375, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Ikeda did not concur.)

SCRep. 176 Higher Education and the Arts on H.B. Nos. 395, 433, 441, 567,
619, 705 and 707

H.B. No. 395 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE HAWAII YOUTH SYMPHONY".

The purpose of this bill is to provide a grant-in-aid to the Hawaii Youth Symphony to continue to provide opportunities for Hawaii's students to take an active part in musical performance with their peers and so develop a life-long interest and love of classical orchestral music.

This bill has been amended by inserting the sum of \$36,420. Although \$25,000 was the requested funding in the testimony, your Committee has decided to support the larger figure for this appropriation.

This bill has been further amended by making a technical, nonsubstantive change in line 4 of Section 1.

H.B. No. 433 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE KALIHI-PALAMA CULTURE AND THE ARTS PROGRAM".

The purpose of this bill is to provide a grant-in-aid to the Kalihi-Palama Culture and Arts Society, Inc., for the continuance of the society's sponsorship of over 900 different cultural events each year, reaching an estimated audience of 12,000 persons. Many of these activities are provided at low cost to residents who would otherwise not be able to participate in such events.

This bill has been amended by inserting the sum of \$45,500.

H.B. No. 441 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE WAIANAEO COAST CULTURE AND ARTS PROGRAM".

The purpose of this bill is to provide a grant-in-aid to the Waianae Coast Culture and Arts Society. Since 1969, the society has presented successful and varied low-cost programs and activities to residents, thus enriching the cultural life of the community.

This bill has been amended by inserting the sum of \$73,000.

H.B. No. 567 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE HONOLULU THEATRE FOR YOUTH".

The purpose of this bill is to provide a grant-in-aid to the Honolulu Theatre for Youth to continue to make it possible for every school age child in Hawaii to experience quality live theatre.

This bill has been amended by inserting the sum of \$146,558.

H.B. No. 619 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE BISHOP MUSEUM".

The purpose of this bill is to provide a grant-in-aid to the Bishop Museum to enable it to play a greater role as a respected and treasured institution for researching, preserving, and presenting the unique cultural heritage of the State and the Pacific Basin.

This bill has been amended by inserting the sum of \$250,000.

H.B. No. 705 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO PROVIDE A GRANT-IN-AID TO THE HONOLULU SYMPHONY".

The purpose of this bill is to provide a grant-in-aid to the Honolulu Symphony for its neighbor island and youth concert programs. Testimony presented to your Committee has shown that the symphony's program has been enthusiastically received by students, parents, and educators in schools from preschool through the college level.

This bill has been amended by inserting the sum of \$257,420.

This bill has been further amended by specifying the expending agency to be the State Foundation on Culture and the Arts, which is under the jurisdiction of the Department of Accounting and General Services.

H.B. No 707 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE HAWAII PERFORMING ARTS COMPANY".

The purpose of this bill is to provide a grant-in-aid to the Hawaii Performing Arts Company to ensure that through its productions HPAC will continue to make the magic of the theatre accessible to a wide audience including members of the deaf community.

This bill has been amended by inserting the sum of \$33,200.

Your Committee on Higher Education and the Arts is in accord with the intents and purposes of H.B. No.'s 395, 433, 441, 567, 619, 705, and 707, as amended herein, and recommends that they pass Second Reading in the forms attached hereto as H.B. No.'s 395, H.D. 1; 433, H.D. 1; 441, H.D. 1; 567, H.D. 1; 619, H.D. 1; 705, H.D. 1; and 707, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 177 Human Services on H.B. No. 779

The purpose of this bill, as received by your Committee, is to provide a total of \$100,000 for fiscal year 1983-1984 in grants-in-aid to private, nonprofit agencies for the operation or construction of adult day care centers.

Your Committee has amended this bill to specify individual amounts of grants-in-aid to: (1) establish the Kaneohe Seniors' Day Care Center and the Kona Central Union Church Adult Day Care Program; and (2) expand programs at Kaumana Elderly Day Care Center, Central Oahu Day Care Center, Windward Seniors' Day Care Center, Hale-Ho'ola'i Day Care Center, and Maui Day Care Center. The total amount appropriated has also been reduced to \$90,000.

Your Committee has also amended the bill by deleting the requirement that any grant-in-aid not exceed \$20,000 since conforming amounts have been specified. Your Committee also made organizational and technical, nonsubstantive amendments for the sake of clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 779, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178 Human Services on H.B. No. 1161

The purpose of this bill is to permit the Department of Social Services and Housing to intervene in any court action for personal injury brought by a person receiving assistance from the Department.

Your Committee finds that currently, unless notified by the recipient of such action, the Department often is unaware of such court action. On occasions the Department has had to recoup from recipients who may no longer possess the award received as a result of the court action.

Your Committee agrees that this bill will provide the needed advance notice for the Department to intervene in a court action as necessary.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1161 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179 Human Services on H.B. No. 780

The purpose of this bill, as received by your Committee, is to provide a total of \$150,000 for fiscal year 1983-1984 in grants-in-aid to private, nonprofit agencies for the operation or construction of day hospitals.

Your Committee has amended this bill to specify individual amounts for grants-in-aid to establish the Ann Pearl Day Hospital, Maui Imua Rehabilitation Day Health Center, Castle Day Hospital, and Island Nursing Day Hospital. The total amount appropriated has also been reduced to \$120,000. Your Committee has also specified that the sums appropriated may be used for program operations or for capital improvements.

Your Committee has also amended the bill by deleting the requirement that any grant-in-aid not exceed \$75,000 since conforming amounts have been specified. Your Committee also made organizational and technical, nonsubstantive amendments for the sake of clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 780, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180 Human Services on H.B. No. 1408

The purpose of this bill is to appropriate monies for the development and establishment of a child care resources and referral system under the Department of Social Services and Housing, including a component for the training of operators of child day care centers.

Your Committee finds that there is not now a child care resource and referral system which includes all providers of child care and feels that this bill would provide such a comprehensive system for the island of Oahu.

Your Committee has heard testimony in favor of H.B. No. 1408 from the Department of Social Services and Housing and People Attentive to Children (PATCH). Both testifiers noted that the bill only provides for referral to licensed child day care centers, and not to family day care homes and school-age child care programs. Your Committee has therefore amended section 1, subsection (1), by replacing "child day care centers" with "child day care providers".

Testimony by the Department of Social Services and Housing indicated a significant cost for the establishment of a resource and referral service alone, excluding the provision of training services for operators and potential operators of child care programs. For this reason, your Committee has deleted the training component of the system.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1408, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 181 Human Services and Employment Opportunities and Labor Relations on H.B. No. 725

The purpose of this bill is to establish a permanent state-funded program to promote and assist useful employment for persons who are at least fifty-five years old.

The Department of Labor and Industrial Relations, Executive Office on Aging, and Honolulu Community Action Program submitted testimony in support of this bill.

Your Committees find that over the past year the Department has worked with the Honolulu Community Action Program perfecting the model suggested in this bill. During this time more than 1,000 elderly have been counselled and some 200 placed in part-time employment.

Your Committees agree that this program has proven to be immensely successful in helping to find jobs for older adults.

Your Committees on Human Services and Employment Opportunities and Labor Relations are in accord with the intent and purpose of H.B. No. 725 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 182 Human Services and Judiciary on H.B. No. 1582

The purpose of this bill is to provide the means for the Department of Social Services and Housing to act on its own behalf in matters involving the collection of child support.

The Department submitted testimony in support of this bill. Under the present statute the Department is subrogated to the rights of the child or the child's custodian. The issue of subrogation gives rise to other varied legal problems which hinder the Department's efforts to fulfill the responsibilities of the child support enforcement program. The provisions in this bill would preclude some of these problems by allowing the Department to act on its own behalf in the collection of child support.

Your Committee finds that in such cases where the recipient may wish to take legal action which is not in the best interest of the state, a conflict occurs. This bill further clarifies the role of the Office of Corporation Counsel or the county attorney in representing the state.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 1582 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 183 Water, Land Use, Development and Hawaiian Affairs and Agriculture
on H.B. No. 1399

The purpose of this bill is to better utilize Hawaii's available resources, to create employment opportunities for Hawaii's residents, and with new approaches to accelerate the utilization of Molokai's available and affordable natural products.

To carry out the purpose of the bill, various statutes are to be amended:

- (1) Section 212, Hawaiian Homes Commission Act, 1920, as amended, to provide that tree farming should be an eligible and encouraged agricultural activity on Hawaiian home lands suitable for tree farming;
- (2) Chapter 171, to establish a state forest lands management program in the Department of Land and Natural Resources, in order to accelerate improved management of state forest lands; and to include tree farming as a definition of agricultural activity;
- (3) Section 186-9, to reduce the yield tax rate from five per cent to two and a half per cent of stumpage value (value that a willing buyer will pay to a willing seller per thousand board feet for trees standing and uncut);
- (4) Section 266-19, to apply, use, and dispose of harbor special fund moneys for the purpose of establishing, maintaining, operating, managing, and controlling fuel oil pipelines; and Section 277-2, to authorize the Department of Transportation to use the harbor special fund for pipelines designed to transport number six residual fuel oil, or similar residual fuel oil for the purpose of generating energy; and
- (5) Sections 279A-3 (financial plan) and 279A-6 (work program), to require the Department of Transportation to plan for adequate facilities at one harbor on each island where a demand is established for an off-loading pipeline and storage facility within the harbor complex or energy corridor for number six or similar residual fuel oil suitable for energy generation.

According to testimony, the Department of Hawaiian Home Lands having already established in 1974 a land management division would not be affected by any amendment to Section 212, Hawaiian Homes Commission Act, 1920. Lands previously under the control of the Board of Land and Natural Resources are now being recalled by the Department

of Hawaiian Home Lands. Your Committees have therefore deleted Section 2 of the bill, relating to Section 212, Hawaiian Homes Commission Act, 1920.

Your Committees are in agreement that there is a need for the Department of Transportation to conduct a study of oil pipelines and fuel oil storage facilities on Molokai, in concert with all interested and affected persons, and to resolve any problem of conflicting points of view; and that mandating the Department to perform at this stage is premature. Therefore, your Committees have deleted Sections 6 through 9 from the bill, relating to Sections 266-19, 277-2, 279A-3 and 279A-6, Hawaii Revised Statutes. The new proposal recommended is to retain only those amendments of Chapters 171 and 186, Hawaii Revised Statutes.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture are in accord with the intent and purpose of H.B. No. 1399, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1399, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 184 Health on H.B. No. 1401

The purpose of this bill is to authorize the issue of \$13.5 million in special purpose revenue bonds to assist the Wahiawa General Hospital in the financing or refinancing of its facility and in the refunding of outstanding special purpose revenue bonds.

Your Committee finds that economic conditions are such that the Hospital, by refinancing current debt accrued under a previous bond issue at 15-1/2 percent with a new bond issue at a lower interest rate, can potentially save \$3 million.

Your Committee finds that, Wahiawa Hospital is in special need of assistance from the State. The construction project which this bill would refinance provided the hospital with 40 new long term care beds, which are closely incorporated into the hospital's ongoing operations.

These new long term care beds come into service just at the time when the altered reimbursement schedule for Medicare, (and Medicaid, as Hawaii's Medicaid program follows Medicare reimbursement rules) imposed by the federal Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), reduced payments for long term care beds.

The design of the new long term care beds is such that the hospital cannot readily convert them to other use and must operate them at a loss. Accordingly, Wahiawa, together with other community hospitals that operate long term care beds in their acute care facilities, is appealing to the Legislature for an operating subsidy to make up the shortfall in reimbursements resulting from TEFRA. Because of the configuration of its plant, Wahiawa may have fewer options in the post-TEFRA period than other community hospitals, and thus be at greater risk of need for continuing State subsidies. Nevertheless, your Committee feels that this bill is justified, because it has the potential for reducing Wahiawa's outstanding indebtedness, thus making the operation of the new long term care beds more viable.

Your Committee on Health is in accord with the intent and purposes of H.B. No. 1401 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185 Health on H.B. No. 1151

The purpose of this bill is to authorize the issue of special purpose revenue bonds to assist Queen's Medical Center in the financing and refinancing of short term borrowing.

Your Committee finds that Queen's present \$106 million approved construction project was originally to be financed through \$80 million in previously issued revenue bonds and \$26 million in the Center's cash reserves. However, Queen's found it necessary to use \$19 million of its cash reserves to repay a loan balance on the Physician's Office Building in order to obtain a tax exempt bond. For this reason, the Center is requesting an additional \$20 million in revenue bonds to make up the \$19 million in reserves that it had intended to use for this project.

Your Committee, therefore, finds that the issue of the \$20 million in special purpose revenue bonds as specified under this bill will not significantly increase the total indebtedness of Queen's Medical Center.

Your Committee has amended this bill to include provisions for an issue of \$22 million for Kaiser Foundation for the construction of the second phase of a new facility at Moanalua. These provisions were originally contained in H.B. No. 1152 which will be kept in Committee as a possible vehicle for further revenue bond issues.

Your Committee on Health is in accord with the intent and purposes of H.B. No. 1151, as amended herein, and recommends that it be passed Second Reading in the form attached hereto as H.B. No. 1151, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186 Health on H.B. No. 1297

The purpose of this bill is to authorize the issue of \$43,320,000 in special purpose revenue bonds to assist St. Francis Hospital in the construction of a new hospital facility in Waipahu-Ewa.

Your Committee finds no reason to deny access to special purpose revenue bond financing St. Francis Hospital at this time, inasmuch as St. Francis' certificate of need (CON) application proposes the use of conventional financing and the hospital is prepared to commence construction by the end of the calendar year, should it be successful in its CON application. The Committee therefore is taking the position that special purpose revenue bond financing should be available to St. Francis if the hospital gains approval of the State Health Planning and Development Agency (SHPDA).

However, the Committee emphasizes that favorable consideration of this bill does not in any way indicate a preference for St. Francis' proposal, as compared to other proposals now pending before SHPDA which are part of the same "batch" review.

On the contrary, your Committee is of the opinion that no new acute care beds should be approved at this time, and that approval of additional acute care beds in the future should be only upon the most compelling showing of need, including capacity occupancy rates after existing seasonal saturation of beds has been alleviated by proper spacing of elective surgeries.

This situation is more disturbing because at the present time, various community hospitals are considering converting existing hospital-based nursing care beds to acute care as a result of changes in reimbursement formulas for Medicare and Medicaid. Should all such beds be converted, nearly 400 additional acute care beds would be added to the health care market, and there patently would be no need for the more than 500 additional beds that are the subject of SHPDA's current review.

Your Committee is convinced that the health care industry has a powerful propensity toward the proliferation of health care facilities and services in excess of demonstrable need, and that this proliferation is a major contributor to the rapid rise in health care costs. Your Committee notes that SHPDA is the only agency charged with constraining the addition of facilities and equipment in the health care industry. Unfortunately, SHPDA is subject to conflicting objectives, being charged by federal law both to improve access and constrain costs. It follows that SHPDA suffers from an uncertainty of purpose which may lead it to impose less restraint than otherwise would be the case.

Your Committee, therefore, reiterates its belief that SHPDA should firmly resist pressures for the development of additional health care facilities until it can be shown that there is a definitive need for such facilities, and that the facilities approved by SHPDA are directly responsive to that need.

Accordingly, your Committee has amended this bill to make it clear that no bonds may be issued until such time as a certificate of need has been obtained and other procedural requirements have been satisfied. A new paragraph has been added to section 2 of the bill that reads:

The department of budget and finance shall not issue bonds until such time that St. Francis Hospital has obtained certificate of need approval from the state health planning and development agency and is otherwise in compliance with laws, ordinances, and rules and regulations of the State or any political subdivision thereof, or any departments

or boards thereof with respect to the construction, operation, and maintenance of projects, compliance with health care planning laws or regulations, or zoning laws or regulations, obtaining of building permits, compliance with building and health codes and other laws, ordinances, or rules and regulations of similar nature pertaining to the project.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1297, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187 Health on H.B. No. 957

The purpose of this bill is to require the department of health to establish and implement a community residential treatment system to deinstitutionalize individuals from Waimano Training School and Hospital.

Existing statutes regarding community programs for mental retardation, section 333-11 of the Hawaii Revised Statutes, permit in-patient treatment and rehabilitation services but do not address residential treatment services. There is a branch within the department of health, Community Services for the Developmentally Disabled, which operates group homes for the purposes of residential training.

Your Committee finds that this bill is a clear mandate for the deinstitutionalization of the mentally retarded from Waimano into the community. At the same time, this bill provides the department with flexibility in the process of deinstitutionalization.

Your Committee has amended the bill by replacing subsection (b), lines 18 to 22 of page 2 with: (b) The director of health shall progressively deinstitutionalize residents of Waimano Training School and Hospital into community residential treatment systems to the maximum extent feasible. Funds shall be diverted from the operating budget of Waimano Training School and Hospital for this purpose.

The new section, Condition on use of funds, of page 2 and page 3, restricts treatment to those individuals hospitalized at Waimano for an unspecified number of months. Your Committee finds this to be unnecessary because of the mandate for deinstitutionalization of Waimano individuals. Your Committee has amended the bill by deleting the new section, line 23 of page 2 and lines 1 to 9 of page 3.

For the purpose of consistency, your Committee amended the bill by replacing the designation (b) of page 3, line 10, with subsection (c).

Your Committee on Health is in accord with the intent and purpose of H.B. No. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 957, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 188 Human Services and Public Employment and Government Operations on H.B. No. 495

The purpose of this bill is to establish within the Office of Children and Youth a program for the prevention and treatment of child abuse or neglect which would be financed by a child abuse or neglect prevention and treatment special fund.

The special fund would receive moneys through voluntary leave without pay by public employees. The departments employing persons taking such leave would donate \$60 to the special fund for every eight hours leave taken under this program.

Your Committees have heard testimony from the Office of Children and Youth which, although it supported the basic intent of the bill, raised a number of concerns about duplication of functions and responsibilities that certain components of the proposed program would engender. The Office noted that some responsibilities which would be assigned to it under this bill are already mandated to the Department of Social Services and Housing, the Department of Health, and other agencies.

Your Committees have amended H.B. No. 495 to eliminate those items which would duplicate other existing programs. Thus, proposed subsections (1), (2), (3), (4),

and (6) under the proposed section establishing the program (p. 1, starting at line 11) have been deleted. These amendments limit the scope of the proposed program to the prevention of child abuse or neglect, and therefore references to treatment of child abuse or neglect in the bill have also been deleted.

Your Committees have further amended the bill to place the proposed child abuse or neglect prevention program under the Department of Social Services and Housing to facilitate coordination with existing departmental programs.

Your Committees on Human Services and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 495, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 495, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 189 Judiciary on H.B. No. 137

The purpose of this bill is to appropriate funds for the individual awards made to victims of crimes by the Criminal Injuries Compensation Commission pursuant to Chapter 351, Hawaii Revised Statutes.

Your Committee on Judiciary has discussed the merits of compensating victims of violent crimes and agrees this program is valuable to the community. However, your Committee notes many problems in connection with the interpretation of Chapter 351, Hawaii Revised Statutes.

Your Committee has expressed concerns over the judgmental nature of "pain and suffering" awards and how best to afford equitable treatment to victims. Your Committee also has concerns regarding payment of death benefits to survivors, culpability as applied to innocent victims and compensation for crimes against property.

Your Committee feels that many of the problems relating to the board, its functions and administration could best be addressed by a comprehensive review of Chapter 351, Hawaii Revised Statutes. The Committee is drafting a resolution to request an interim study of Chapter 351, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intents and purposes of H.B. No. 137 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 190 Judiciary on H.B. No. 384

The purpose of this bill is to amend Section 843-2, Hawaii Revised Statutes, to extend the existence of the Hawaii Crime Commission to June 30, 1990.

The Commission operates as an independent research, data gathering and reporting organization. It is designed to provide an impartial, objective and analytical perspective of the functioning of the criminal justice system.

Your Committee has found that the research and studies published by the Commission are both helpful and informative and recommends that the existence of the Commission be continued.

Your Committee has received testimony from the State Public Defender's Office and from the Office of the Lieutenant Governor recommending the requested extension of time. The Hawaii Crime Commission has submitted an extensive report of their past projects.

Despite the positive achievements of the Hawaii Crime Commission, your Committee believes that both the Judiciary and Finance Committees should carefully scrutinize the purpose and operation of the Hawaii Crime Commission before further extending the existence of the commission.

Your Committee has amended the bill by extending the existence of the Hawaii Crime Commission only until June 30, 1985. Your Committee has also amended the bill by adding an appropriation of \$1.00 to carry out the purpose of this bill.

Furthermore, your Committee has added to the bill that a member of the commission shall serve for four years unless sooner terminated under subsection (a) of the bill. For the purposes of consistency, your Committee has also amended the bill by renumbering sections 2 and 3 to 3 and 4 respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 384, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 191 Judiciary on H.B. No. 781

The purpose of this bill is to pay jurors' mileage to and from the courthouse and to give the court more discretion in compensating jurors.

Under present law, the juror is compensated only for mileage to the courthouse and given a flat \$20 per day juror's fee. Your Committee has heard testimony from the Judiciary which supported this bill. The bill will allow the courts more discretion in compensating jurors more or less than \$20 per day jurors' fee depending on the circumstances.

Your Committee feels that the proposed language of the bill will grant to the courts broad discretionary compensation authority and, therefore, recommends that the proposed new language be deleted. Your Committee feels the present statutory language allows sufficient discretion to compensate jurors for transportation, board and lodging. However, the Committee is in favor of compensating jurors for travel to and from the courthouse.

Your Committee on Judiciary has accordingly amended the bill by deleting the proposed broad discretionary language on page 1, lines 13 to 16.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 781, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192 Judiciary on H.B. No. 1119

The purpose of this bill is to appropriate moneys out of the general revenues of the State for the payment of certain tax refunds, judgments and settlements, and other miscellaneous claims against the State.

The claims for refunds, reimbursements, and other payments were filed with the state director of finance and submitted to the attorney general for review and recommendation for payment.

Your Committee has amended this bill to include claims for Ethel S. Littleton, John W. Hotchkiss and Jacqueline Barber Hotchkiss, and Shirley Matsuura.

This bill appropriates \$271,871.16 for the payment of 18 claims under Hawaii Revised Statutes section 37-77 and chapter 662.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1119, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1119, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 193 Human Services and Health on H.B. No. 1125

The purpose of the bill is to amend the definition of "medical care" under Section 346-1 to grant the Department of Social Services and Housing discretion as to the types of services it may provide under the medical assistance program.

Your Committees find that this bill would allow the Department of Social Services and Housing the option to delete certain services under the medical assistance program to accommodate funding shortfalls. However, it is not the Committees' intent that the

Department be allowed this option indefinitely or without accountability to the legislature. Therefore, your Committees have amended this bill to reinstitute the current definition of "medical care", thus mandating the current range of services under medical assistance, on July 1, 1984.

Your Committees on Human Services and Health are in accord with the intent and purposes of H.B. No. 1125, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1125, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 194 Human Services on H.B. No. 1126

The purpose of this bill is to eliminate the Resident Alien and Naturalized Citizen Program, which assists a qualified person to return to the person's homeland, by repealing sections 346-141 through 346-146, Hawaii Revised Statutes.

Your Committee is informed that since the program was implemented in 1981 there have been no persons returned to their homelands. A total of fifteen applications have been received to date of which only one was approved in March 1982. The individual approved did not return however because of health problems and needed to be hospitalized. That individual currently does not qualify to be returned as the individual is in a nursing home and is no longer a recipient of financial assistance. The other fourteen applicants changed their minds for various reasons, such as marriage, change of heart.

The department of social services and housing needs to cut \$1.6 million and \$1.7 million in FY 1984 and FY 1985, respectively, from the SOC-III budget. The department has identified the Resident Alien and Naturalized Citizen Program as one of the programs to be cut because of the low demand for the assistance and the relatively small number of persons who will be adversely affected if the program is terminated.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1126, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1126, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 195 Human Services on H.B. No. 1203 (Majority)

The purpose of this bill is to require employable adults in the federal/state Aid to Families with Dependent Children (AFDC) program to work off their assistance grant by performing public services, as a condition of continued eligibility.

Your Committee finds that under present law, §346-31, Hawaii Revised Statutes, there is authority to carry out the intent and purpose of "public service" as proposed in this bill. Under this section general assistance recipients are assigned to various work projects, popularly referred to as "temporary labor force" (TLF) or "workfare". State and county governmental agencies are contacted to serve as sponsors of projects and pursuant to §346-32, Hawaii Revised Statutes, participants of TLF are provided workers compensation coverage.

Until the passage of the Omnibus Budget Reconciliation Act in October 1981, federal programs such as Aid to Families with Dependent Children prohibited implementation of such public service work projects. It has now become an option which states may elect with certain provisions.

Minimum federal requirements are that the program serve a useful public service, that the projects must assure standards for health and safety, and it may not displace persons currently employed or fill established unfilled vacancies. Participants are to be reimbursed for expenses incurred in their participation in amounts not to exceed \$25.00. These requirements are attainable under the general assistance program although an appropriation would be necessary for the cost of staff to implement the program and the work expense allowance.

Your Committee further finds that the proposal that public service employment be confined to intact families where there are two adult persons is appropriate as this would allow one adult to perform public service enabling the other parent to remain at home to care for minor children in the home. This condition eliminates the need

for funds to absorb the cost of day-care and after-school care of children. Your Committee is advised that there are currently 1,400 two-parent households in the AFDC-Unemployed Parent program which would be affected by this amendment.

Your Committee has adopted the recommendations of the department of social services and housing to carry out the intent of this bill by expanding §346-31, "Assignment of persons in need of public assistance to work on public projects." only, rather than creating new statutory sections as proposed in the original bill.

The bill has also been amended to include an appropriation section for \$277,761 for fiscal year 1984 and \$272,696 for fiscal year 1985 for the administrative cost to carry out the purposes of this bill. The department advises that fifty per cent of the expenditure will be federally funded, and that this bill will offset the funds expended under the AFDC program to intact families by requiring the participating recipient to perform services that may equal the value of the amount received under AFDC.

Your Committee on Human Services is in accord with the intent and purposes of H.B. No. 1203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1203, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Baker, Hagino and Hirono did not concur.)

SCRep. 196 Human Services on H.B. No. 1310

The purpose of this bill is to appropriate \$575,000 for fiscal year 1983-1984, for vision care, eyeglasses, and hearing aids under the medical assistance program.

Your Committee heard testimony from the Hawaii Optometric Association and concerned citizens in support of this bill.

Your Committee agrees that the privilege of enjoying good vision should continue to be provided to those under the medical assistance program. These individuals may be especially in need of vision care services so that their position in life may perhaps be improved. Good vision, where previously there was poor vision, may be the key to necessary schooling, or for qualifying for a specific job.

Your Committee considered imposing a \$1.00 co-payment charge per visit (or per treatment claim form) on the recipient. Another proposal considered was deleting the state 4 percent excise tax to recipients and having the providers absorb the cost. These proposals are methods to address the reduced medical assistance budget.

Your Committee agrees that the proposals are potential solutions which deserve additional consideration.

Your Committee has amended this bill by deleting from lines 5-6, the phrase "for one-half of the charge or cost, as the case may be", and has inserted "a nominal cost". The amendment is due to federal statutes which prohibit such payment.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1310, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 197 Human Services on H.B. No. 1583

The purpose of this bill is to clarify and strengthen the State's authority to limit Medicaid reimbursements for health care services and supplies and to authorize a demonstration project to substantiate cost savings from enrollment in health maintenance organizations.

Your Committee finds that since the Omnibus Reconciliation Act of 1981, there has been no Medicare reimbursement limit to out patient health care services and supplies. Your Committee feels that the provisions of this bill would clarify and strengthen the authority of the State to continue to adhere to federal limits on reimbursement, and thereby provide for more cost-effective reimbursement practices in the administration of the State's medical assistance program.

Your Committee recognizes that participation in health maintenance organizations can reduce medical care costs significantly; and believe that such participation should be encouraged among persons receiving medical assistance. However, at present, there is no incentive to participate in health maintenance organization programs under the State's medical assistance program. Your Committee finds that the provisions of this bill establish a demonstration project which would encourage participation in health maintenance organizations and validate assertions of lower health costs under those programs.

Your Committee feels that the demonstration project should not limit participation to health maintenance organizations as defined by the federal government, such as Kaiser Foundation Health Plan, but should also allow participation in prepaid programs of other providers. Your Committee has therefore amended the definition of "health maintenance organizations" under subsection (e) to read ". . . entities designated as such by the Department of Health and Human Services or other prepaid health plans."

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1583, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 198 Human Services on H.B. No. 1584

The purpose of this bill is to amend the statutes relating to public assistance provided to individuals who qualify for general assistance.

Your Committee finds that this bill will amend the statutes to authorize the Department of Social Services and Housing to establish the scope and content of medical care to the general assistance group of recipients. This bill will allow the Department options to delete certain medical services to the general assistance group of recipients rather than providing the full gamut of medical care services encompassed by the medical assistance program. This group is not covered under the federal Medicaid funding but is paid fully through state funds.

Your Committee agrees that depending on funding availability, it would be prudent for the Department to make necessary changes in rules pursuant to Chapter 91. However, it is not your Committee's intent that the Department retain rulemaking authority indefinitely or without accountability to the Legislature, and this Committee feels that when sufficient funds become available, the Department should provide the range of services it now provides. Your Committee has, therefore, amended this bill to rescind the Department's rulemaking authority on June 30, 1984 and invalidate all rules promulgated pursuant to that authority on July 1, 1984.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1584, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 199 Water, Land Use, Development and Hawaiian Affairs and State General
Planning on H.B. No. 946

The purpose of this bill is to clarify the provisions of Section 205-4(g), Hawaii Revised Statutes, concerning decisions on land use district boundary amendment petitions. This bill requires that the Land Use Commission vote on a petition within a period of not more than 180 days and not less than 45 days after the close of the hearing. It also requires that written findings of fact and conclusions of law shall be filed by the Commission within a reasonable time subsequent to the vote of the Commission.

Under present law the Commission's filing of its findings of facts and conclusions of law serves as the proper action in approving, denying, or modifying a petition for district boundary amendment. There is presently no specification that the Commission must vote to approve, deny, or modify the petition. Moreover, it is very difficult for the Commission to prepare and finalize the findings and conclusions within the specified time because of the volume of information and data in the records. Complex cases require more time than the statute requires in completing final adoption of the findings and conclusions.

Your Committees are in agreement with the intent of the bill, but are of the opinion that the filing of the written findings of fact and conclusions of law should be completed within a specific time period. Therefore, the phrase "within a reasonable time" has been deleted from line 6, page 2, of the bill and replaced with the phrase "not more than forty-five days".

Your Committees on Water, Land Use, Development and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of H.B. No. 946, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 946, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kiyabu and Tam.

SCRep. 200 Water, Land Use, Development and Hawaiian Affairs and State General Planning on H.B. No. 945

The purpose of this bill is to provide the Land Use Commission with the authority to charge a fee for filing a boundary amendment petition and for reproducing maps and documents, and to assess a penalty on those parties that fail to appear at hearings without notice and reason.

According to testimony, the fees assessed for filing a petition and reproduction of documents and maps will help defray processing costs such as public notices in newspapers, paper and xeroxing costs, and mailing costs. Moreover, the authority to assess a penalty for absence from a Commission hearing without notice or reason will aid the Commission. Such an assessment will be used to reimburse the State for all air and ground transportation and per diem costs incurred.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of H.B. No. 945 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Kiyabu.

SCRep. 201 Water, Land Use, Development and Hawaiian Affairs and State General Planning on H.B. No. 1123

The purpose of this bill is (1) to permit the Governor to appoint temporary replacements to the Board of Land and Natural Resources, when a member is disqualified and a quorum is needed; (2) to permit the Board to extend the time to make decisions on conservation district use applications, where a contested case hearing has been requested; and (3) to permit the Board to appoint masters or hearing officers to hear contested case hearings and to conduct public hearings for subdivision and commercial use conservation district use applications.

According to testimony, the Board of Land and Natural Resources is faced with a heavy workload in hearing contested cases. First, full Board meetings are required, and a quorum cannot be constituted because Board members may disqualify themselves from voting on or participating in discussions when they have any interest, direct or indirect, in any matter before the Board. This bill attempts to address this problem by allowing the Governor to designate temporary membership on the Board. Second, there is a need to process quickly and inexpensively the large volume of documents required in contested case hearings. The bill would allow the Board to grant requests by applicants to extend the 180-day period for hearings on conservation district use applications where a contested case hearing is requested. At the same time, the Board would be able to appoint masters to conduct public or contested case hearings as provided by law and under such conditions as the Board by rules might establish.

Your Committees are of the opinion that a more expeditious and judicious manner in maintaining a quorum is for the Board of Land and Natural Resources to be composed of six principal members and six alternate members. Each land district would be represented by a principal member, or by his or her alternate from the same land district only if a quorum is not possible due to the disqualification of the principal member. Likewise, if either or both principal members at large are disqualified and a quorum is not possible, their alternate members should sit in place of and serve as members at large. Therefore, your Committees recommend that the bill include a new section which would amend Section 171-4, Hawaii Revised Statutes, and fulfill the new proposal. Moreover, lines 13-21, page 3, of the bill has been revised to incorporate the proposal of having alternate

members in lieu of principal members who are disqualified.

Your Committees are also of the opinion that there is no need for the Board to appoint masters to conduct public or contested case hearings. Therefore, lines 5-9, page 6, of the bill have been deleted.

Section 1 of the bill has been revised to reflect the amendments being proposed by your Committees. First, all references made to the appointment of masters to hear contested case hearings and to conduct public hearings on behalf of the full Board of Land and Natural Resources have been deleted. Second, the reference made to the Governor's appointment of temporary replacements has been replaced by a new provision to appoint alternate members on the Board. Moreover, Section 5 of the bill has been deleted inasmuch as the proposed amendment to Section 183-4(d) applies to the responsibilities of the masters.

Other technical amendments have been made.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of H.B. No. 1123, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1123, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Kiyabu.

SCRep. 202 Human Services on H.B. No. 1626

The purpose of this bill is to appropriate \$2,850,000 for fiscal year 1983-1984, for dental health services for adults under the medical assistance program.

Your Committee heard testimony from the Hawaii Dental Association and concerned citizens in support of this bill.

Your Committee agrees that diseases of the oral structure is one of the most prevalent of the maladies of humans. Failure to receive adequate and prompt care for these conditions will cause additional problems in pain and suffering and will cost the community more in the long run. The mouth has always been known as the gateway to human health and there is a direct relationship between the mouth and health and well being.

Your Committee considered imposing a \$1.00 co-payment charge per visit (or per treatment claim form) on the recipient. Another proposal considered was deleting the state 4 percent excise tax to recipients and have the providers absorb the cost. These proposals are methods to address the reduced medical assistance budget.

Your Committee agrees that the proposals are potential solutions which deserve additional consideration.

Your Committee has amended this bill by deleting from lines 5-6, the phrase "for one-half of the actual, reasonable, or usual charge", and has inserted "a nominal cost". The amendment is due to federal statutes which prohibit such payment.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1626 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1626, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 203 Human Services on H.B. No. 1313

The purpose of this bill is to appropriate \$8,200,000 for fiscal year 1983-1984, for reimbursements to hospital-based nursing facilities under the medical assistance program in order to maintain the reimbursement levels for skilled nursing care and intermediate care at the same levels as those in effect on July 1, 1982.

Your Committee received voluminous testimony in support of this bill. The Hospital Association of Hawaii noted that this bill would make an appropriation for hospitals which are or will be experiencing significant short-falls in reimbursement for long-term care services created by the federal Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA '82). The appropriation of \$8.2 million was an early and preliminary estimate that has been revised to \$9.2 million if it is to embrace all of the hospitals

statewide which have been impacted by TEFRA.

Your Committee finds that the intent of TEFRA is to reduce reimbursements to long-term care facilities to discourage acute hospital participation in the provision of long-term care to reduce the overall costs in long-term care. However, Hawaii is unique as the effect of TEFRA will have an impact on Hawaii's hospitals which is four times greater than other facilities nationally except Alaska.

Your Committee finds that TEFRA was effective October 1, 1982 for the institutions which have a fiscal year beginning October 1, 1982. The first such institution to be affected was the Rehabilitation Hospital of the Pacific for which the loss of revenues began October 1, 1982. The effective date of TEFRA for Castle Hospital was March 1, 1983. Thus, the impact of TEFRA has been severe as witnessed by the closing of these two long-term care facilities.

Your Committee, after careful consideration, has reduced the appropriation to \$3,750,000. This reduction is intended to meet the needs of only the private, community hospital-based nursing facilities. It is your Committee's understanding that the Governor has separate plans for the County State hospitals to absorb the projected \$5.5 million shortfall for these institutions which is presently unavailable for your Committee's review.

Your Committee is concerned that should the Governor's plans become available, they should be brought to your Committee's attention.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1313, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 204 Corrections and Rehabilitation on H.R. No. 16

The purpose of this resolution is to request the Office of the Legislative Auditor to conduct a program and management audit of the correctional system, including the Corrections Division, the Intake Service Centers, the Hawaii Paroling Authority and the probation divisions of the Judiciary.

Your Committee finds that the Hawaii State Correctional Master Plan (HCMP) is at odds with present public reaction to increasing crime rates. Stricter sentencing laws, longer minimum terms set by the Hawaii Paroling Authority, increased inmate population and limited state revenues have hampered the implementation of the HCMP.

Your Committee is in agreement that the HCMP should be revised to provide a clear direction for corrections. Additionally, your Committee concurs with a Legislative Reference Bureau study, entitled "A Department of Corrections for Hawaii: A Feasibility Study", completed in January, 1983, which recommends that a comprehensive management and program audit of the correctional agencies should precede any legislative action. A comprehensive evaluation would provide direction for efficient allocation of resources, implementation of program objectives and improved management techniques.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 16 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 205 Corrections and Rehabilitation on H.C.R. No. 15

The purpose of this resolution is to request the Office of the Legislative Auditor to conduct a program and management audit of the correctional system, including the Corrections Division, the Intake Service Centers, the Hawaii Paroling Authority and the probation divisions of the Judiciary.

Your Committee finds that the Hawaii State Correctional Master Plan (HCMP) is at odds with present public reaction to increasing crime rates. Stricter sentencing laws, longer minimum terms set by the Hawaii Paroling Authority, increased inmate population and limited state revenues have hampered the implementation of the HCMP.

Your Committee is in agreement that the HCMP should be revised to provide a clear

direction for corrections. Additionally, your Committee concurs with a Legislative Reference Bureau study, entitled "A Department of Corrections for Hawaii: A Feasibility Study", completed in January, 1983, which recommends that a comprehensive management and program audit of the correctional agencies should precede any legislative action. A comprehensive evaluation would provide direction for efficient allocation of resources, implementation of program objectives and improved management techniques.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.C.R. No. 15 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 206 Corrections and Rehabilitation on H.R. No. 14

The purpose of this resolution is to request the House Committee on Corrections and Rehabilitation to conduct hearings on the pretrial detainee problem and submit a report of its findings and recommendations.

Your Committee feels that the pretrial detainee problem is complex and important enough to warrant a detailed analysis of its causation and possible solutions. The pretrial detainees account for a significant portion of the total inmate population of Hawaii's correctional system.

Your Committee is in agreement with testimony received that this resolution is partly prejudgmental in its discussion of the pretrial detainee problem. Furthermore, an additional goal of the hearings should be the protection of the public from repeat offenses by pretrial detainees.

Your Committee has amended this resolution by updating the inmate headcount and bed capacity figures in the first paragraph with current information provided by the Department of Social Services and Housing. This resolution has also been amended to lessen the inference that the Legislature has predetermined the results of the requested hearings. Additionally, this resolution now states that a goal of the hearings should be the consideration of the public's protection from repeat offenses by pretrial detainees. Lastly, the requested date of report submission has been amended to allow sufficient time for the hearings and report preparation.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 14, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 14, H.D. 1.

Signed by all members of the Committee.

SCRep. 207 Corrections and Rehabilitation on H.R. No. 13

The purpose of this resolution is to request the Department of Social Services and Housing (DSSH) to conduct a feasibility study on the expansion of livestock and other agricultural programs throughout the correctional system.

Your Committee feels that an expanded livestock and agricultural program would be a valuable asset to Hawaii's correctional system. A viable program for both the juvenile and adult correction's population would provide a needed diversion for the inmates in addition to contributing to the self-sufficiency of the correctional facilities.

DSSH supports this resolution and concurs that maximization of available resources will enhance operational efficiency. However, DSSH feels that they are lacking in the required expertise to conduct the indepth, technical study that is required.

Your Committee concurs that the subject matter of this study is very specialized and has amended this resolution by requesting that the Department of Agriculture and the University of Hawaii's College of Tropical Agriculture assist DSSH with this study.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 13, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 13, H.D. 1.

Signed by all members of the Committee.

SCRep. 208 Transportation and Judiciary on H.B. No. 337

The purpose of this bill is to strengthen the prohibition against an owner or possessor of a motor vehicle or moped allowing an unauthorized person to drive the motor vehicle or moped.

Your Committees find that the current statute, which prohibits an owner of or person controlling a motor vehicle from allowing an unauthorized person to drive the vehicle, allows violators of this section to defend themselves by disclaiming knowledge that the driver was not authorized to drive. The current statute also does not apply to operators of mopeds. This bill would remove lack of knowledge as a defense and would confer upon operators of mopeds the same responsibility as operators of motor vehicles have in ensuring the proper use of their vehicles.

Your Committees have amended this bill by deleting as unnecessary the bill's references to other sections of the HRS relating to the authorization to drive a motor vehicle. Your Committees also amended this bill by placing the prohibition relating to mopeds in Section 286-133 rather than in a new section. Your Committees also amended the bill to replace the language "hereunder or in violation with this part" with "under law" to encompass provisions of law relating to persons who may legally operate motor vehicles and mopeds.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 337, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 337, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 209 Transportation on H.B. No. 334

The primary purpose of this bill is to permit the Department of Transportation to decrease from "at least ninety days" to "not more than sixty days" the minimum period for which the Department must recognize the validity of numbers awarded to vessels by the Coast Guard or by other states under Coast Guard approved numbering systems. The bill also modernizes language relating to persons empowered to question and detain persons aboard vessels by changing references to "policeman" to "enforcement officer".

Your Committee heard testimony from the Department of Transportation that federal regulations (33 C.F.R. 173.17) now permit the State to regulate vessel numbering after the vessel has been in the State for sixty days. Because the "not more than sixty days" language proposed in the bill could lead one to believe that the Department could set a period less than sixty days and because this would be contrary to the federal regulations, your Committee has amended the bill by replacing "not more than sixty days" with "at least sixty days" at page 2, lines 9-10 of the bill.

Your Committee also heard testimony from the Department of Transportation recommending that because the bill changes the term "policeman" to "enforcement officer" in §267B-3, HRS, the "definitions" section of Chapter 267B, §267B-1, should also be changed. Accordingly, your Committee has amended the bill by adding a new section 2 which replaces "policeman" with "enforcement officer" in §267B-1 and by renumbering the following sections. Your Committee also made technical, nonsubstantive amendments.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 334, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 210 Transportation on H.B. No. 333

The purpose of this bill is to prevent circumvention of the waiting list requirement for vessel mooring permits and to stiffen penalties for violation of Department of Transportation rules relating to harbors.

To these ends, H.B. No. 333 would prohibit the issuance of mooring permits to vessel lessees who are neither demise charterers nor lessees under a lease or charter providing the lessee or charterer with an exclusive right to and possession of the vessel. It would also require vessel owners with mooring permits to notify the Department within

seven days of any transfer of interest in or possession of the vessel and would provide for permit termination upon such transfer. The bill would also provide that instead of or in addition to the present fines for violation of harbor rules, violators would be subject to imprisonment for a year and loss of mooring privileges for up to two years. Finally, as a housekeeping measure, the bill would remove penalties for violations of orders of pilots and assistant pilots inasmuch as these persons are no longer Department employees.

Your Committee heard testimony from the Department of Transportation that various ruses such as the use of unrecorded sales and the execution of leases which permit both lessor and lessee to use the vessel circumvent the first-come, first-served policy of the Department with respect to mooring.

The Department also testified that present penalties are not sufficient to deter serious misconduct with respect to harbors because the potential economic incentives for noncompliance with the provisions of Chapter 266 often exceed the maximum fine of \$1,000.

Your Committee has amended H.B. No. 333 in the following respects:

- 1) The words, "or charterer" have been added to page 1, line 14 of the bill;
- 2) The language, "or imprisoned not more than one year, or both," has been deleted from page 3, line 4 of the bill to delete reference to imprisonment of a vessel;
- 3) Several technical nonsubstantive amendments have also been made.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 333, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 211 Health on H.B. No. 239

The purpose of this bill is to eliminate the requirement of a premarital test for syphilis.

Your Committee heard testimony from the Department of Health and the Hawaii Medical Association in support of this bill. Both organizations noted that premarital serological tests now required under Section 572-7, Hawaii Revised Statutes, have not detected any cases of syphilis that would not have been found through other sources.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 239 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 212 Health on H.B. No. 237

The purpose of the bill is to reduce the risk of tuberculosis in Hawaii by increasing the Department of Health's access to medical information on suspected cases of tuberculosis, and by requiring all laboratories to report confirmed cases of tuberculosis promptly.

Your Committee finds that at present, the Department of Health encounters excessive delays in obtaining written authorization for release of medical information in its follow-up of contagious patients who are not promptly reported, and in its evaluation of close contacts of tuberculosis patients who were not reported to the Department.

Your Committee has heard favorable testimony on this bill from the Department of Health, the Chamber of Commerce of Hawaii, and the Hawaii Medical Association. Your Committee concurs that the provisions of the bill will address the present problems encountered by the Department.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 237 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 213 Health on H.B. No. 240

The purpose of this bill is to allow the Department of Health to adopt rules to require that a pregnant woman receive a serological test for syphilis at her first visit to a physician and during the third trimester of pregnancy.

Your Committee finds that Section 325-51 of the Hawaii Revised Statutes now requires only one blood sample to be taken from a pregnant woman for syphilis testing at her first visit to a physician. As it is generally believed that a human fetus is not vulnerable to infection until after the sixteenth week of pregnancy, this law allows the physician to detect and treat syphilis infections before the fetus becomes vulnerable.

Your Committee heard testimony from the Department of Health indicating that there have been two congenital syphilis cases in Hawaii in the past nine years. In both instances, the mother did receive a serological test for syphilis at their first visit but acquired the disease later in pregnancy. Another test in the third trimester could have detected the infection and allowed the physician to treat it.

Your Committee heard favorable testimony on H.B. No. 240 from the Department of Health and the Hawaii Medical Association and feels that its provisions adequately address the present problems in detecting congenital syphilis.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 240 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 214 Agriculture on H.B. No. 1473

The purpose of this bill is to provide funds for the University of Hawaii's College of Tropical Agriculture and Human Resources New/Young Farmer Program.

Your Committee has held a public hearing on this bill and has received written and oral testimony from the Department of Agriculture, the College of Tropical Agriculture and Human Resources, and the Hawaii Young Farmers Association.

Your Committee finds as follows:

- (1) The University of Hawaii College of Tropical Agriculture and Human Resources New/Young Farmer Program has been ongoing, at varying levels of activity, since 1976.
- (2) The goals of the program have been to encourage new and young people to consider farming as a career and to assist those entering the field, as well as those already in agriculture, in developing their expertise in farming techniques and methodologies. Because of problems, in the allocation system at the University, this program has been funded through the Department of Agriculture since 1976.
- (3) The 1982 Legislature appropriated \$75,000 to the Department for this program, however, severe budget cuts have impeded the implementation of this program during this current fiscal year. Therefore assigning a new or different expending agency may increase the chances of proper implementation of this program.

Your Committee has amended this bill by deleting the Department of Agriculture as the expending agency and by assigning the Governor's Agriculture Coordinating Committee as the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1463, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1463, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 215 Agriculture on H.B. No. 1474

The purpose of this bill is to amend Act 263, section 2, item I.B.1., Session Laws

of Hawaii 1982, to clarify the intended use of funds designated for the Agricultural Training Facilities Program, Hawaii County Economic Opportunity Council, on the Island of Hawaii.

The Hawaii County Economic Opportunity Council provides training in farming practices to disadvantaged, unemployed, and underemployed youths who are potentially capable of and interested in pursuing a career in agriculture but who are unable to do so because of educational or other barriers. This program would be greatly improved by the availability of land suitable for planting crops by program participants.

Your Committee finds that land is available for use by the council but site development and land clearing is required before crops can be grown by the trainees.

Your Committee also finds that funds designated in Act 263, section 2, item I.B.1., Session Laws of Hawaii 1982, should be released for site development and land clearance for this agricultural training facilities program.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1474 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 216 Agriculture on H.B. No. 1463

The purpose of this bill is to provide funds for the development and dissemination of information compiled in a pesticide manual for use by farmers.

Your Committee has held a public hearing on this bill and has received written and oral testimony from the Hawaii Farm Bureau, the Governor's Agriculture Coordinating Committee, and the College of Tropical Agriculture and Human Resources, U.H. at Manoa in support of this bill.

Based on the testimony received in support of this bill your Committee finds as follows:

- (1) The Hawaii Farm Bureau farmers are quite concerned about recent developments involving recent pesticide use and the resulting adverse publicity regarding several crops. Admittedly, large scale agriculture cannot survive without some chemical control. However, we must protect the safety and health of the consumer and the reputation of our farmers' crops. Thus, your Committee finds that there is a real need to effectively disseminate information relating to the use and handling of pesticides; and
- (2) Most of the necessary information is available in the State from several different agencies. All such information should be consolidated into one manual for dissemination to all farmers; and
- (3) The manual combined with workshops conducted by the Department of Agriculture and the University of Hawaii will serve to give the farmers, especially young farmers, information and hands on guidance which will enable them to avoid violations of local and federal laws and regulations thus delivering chemical residual free products to market and simultaneously help them to reduce losses from pest infestation; and
- (4) The original intent of the proposed appropriation of \$20,000 for a pesticide manual can only be achieved by an effective means of disseminating that information. Therefore, your Committee has amended this bill to include an additional \$20,000 for a total appropriation of \$40,000. Your Committee has also amended page 1 lines 3 and 4 of this bill by deleting "for the development of a pesticide manual for use by farmers" and replacing that language with "for a program to develop and disseminate the information compiled in a pesticide manual on the effective use of pesticides in agriculture to farmers throughout Hawaii.

Your Committee has also amended this bill by adding a new section 3 and renumbering the remaining section accordingly.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1463, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1463, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 217 Tourism on H.B. No. 770 (Majority)

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$20,000 or so much thereof as may be necessary for fiscal year 1983-84; for the production of a film to be used by the Visitor Industry Education Council.

Your Committee finds that in the past the Visitor Industry Education Council has been actively involved in educating the students of this state on the benefits of tourism. One of their primary educational tools has been a film that has become outdated and needs to be redone in order to accurately depict changing conditions and to meet increased demands of schools for the use of the film.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 770 and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Grauly and Taniguchi did not concur.)

SCRep. 218 Tourism on H.B. No. 60 (Majority)

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$2,610,729 or so much thereof as may be necessary for fiscal year 1983-1984; and \$3,334,391, or so much thereof as may be necessary for fiscal year 1983-1984; for the promotion of tourism to be conducted by the Hawaii Visitors Bureau.

The Committee recognizes the importance of the visitor industry to the State of Hawaii. In 1982, the visitor industry represented almost 30% of the State gross national product, contributed over \$425 million in state and county taxes, and employed one out of every three civilian jobs.

The current level of funding for the Hawaii Visitors Bureau for fiscal year 1982-1983 amounts to \$3,361,000 from the State general fund revenues. This amount includes the appropriation to the Hawaii Visitors Bureau for FY '83 of \$2,111,000, a special appropriation of \$1,000,000, and \$250,000 additional funding for PED 113 dedicated to marketing and promotion for the Japanese market.

Your Committee has amended the appropriation to the Hawaii Visitors Bureau for fiscal year 1983-1984 to \$4,050,000, and for fiscal year 1984-1985 to \$4,090,000. The \$4,050,000 represents an increase of \$689,000 over the FY '83 level of funding. The \$4,090,000 represents an increase of \$729,000 over the FY '83 level of funding.

In view of increased competition from other destinations, additional funding for the Hawaii Visitors Bureau has been reflected in a higher visitor count for 1982. There are also new markets that the Hawaii Visitors Bureau has entered or has targeted as areas where Hawaii can increase its market share as a destination area. There is also the need to protect the investment in advertising and promotion that the Hawaii Visitors Bureau stands to lose if a continuous marketing effort is not maintained. A \$4,000,000 level of funding represents less than 1% of the tax revenues that the visitor industry creates. The Committee is in accord with testimonies it received, and feels that this funding level is essential to the continued economic well-being of the State of Hawaii and to continue the momentum that the Hawaii Visitors Bureau has achieved in the past year.

The Committee has also amended section 1 of the bill to stipulate that \$1.4 million of the Hawaii Visitors Bureau's budget in each year of the biennium 1983-1985 be spent strictly for advertising promotion, and that \$500,000 of that amount in each year of the biennium 1983-1985 be for advertising promotion in the Asian market, with an emphasis on the Japanese market.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 60, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 60, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Taniguchi did not concur.)

SCRep. 219 Tourism on H.B. No. 692

The purpose of this bill is to provide an appropriation out of the general revenues

of the State of Hawaii the sum which may be necessary for fiscal year 1983-1984, for a grant-in-aid to the county of Kauai to be used by the Kauai Promotions Committee and the Hawaii Visitors Bureau to offset the negative press coverage of the damage caused by Hurricane Iwa.

Your Committee has amended the bill by inserting the sum of \$250,000.00 on line 2.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 692, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 220 Consumer Protection and Commerce on H.B. No. 287

The purpose of this bill is to clarify and "clean up" language and update procedures presently used in boxing.

Testimony in support of the intent and purpose of this bill was provided by the Hawaii State Boxing Commission.

Your Committee has amended H.B. 287, Section 440-10, Licenses, promoters; in the following manner. After the word "thereof", remove the period, add a comma and the following language:

"and shall include the following:

1. Evidence of financial integrity for an individual applicant, for each partner of a partnership or joint venture or for each officer of a corporate entity or association to include:
 - a. a current credit report covering a five-year period immediately preceding the date of application;
 - b. a current financial statement certified by a registered certified public accountant or a registered public accountant;
 - c. a state tax clearance from the State Department of Taxation;
2. For corporations organized under the laws of the State of Hawaii, a copy of the affidavit of officers on file with the Department of Commerce and Consumer Affairs; certificates of registration for foreign corporations and partnerships;
3. Proof that applicant has contracted for major medical insurance coverage for all boxers on the applicant's cards."

Section 440-11 License fee; bond, has been amended to change the sum of \$2,000 to \$5,000; and to eliminate the words "into the state treasury" and add after the word "paid": "to the aggrieved parties as determined by the commission with the remainder paid into the state treasury." The amendments to the bill are being made at the suggestion of the Boxing Commission in order to require more stringent qualifications for promoters.

Since 1980, the financial problems of two licensed promoters have caused monetary losses to participants and commission officials. Your Committee feels that tougher qualifying requirements, especially in the area of financial integrity, an increase in the required surety bond and payment from the bond to aggrieved parties could alleviate the problem to a large degree.

The proposed bill contains a number of changes to Chapter 440, in an effort to keep up with the ever-changing boxing game. In an effort to up-date same, a number of minor language amendments including the elimination of references to gender have been made, together with a few specific additions desired by the Boxing Commission.

In Section 440-1, the term "Secretary" is now defined as the executive secretary to the commission for legal purposes.

In Section 440-2, the reference to amateur athletic "union" has been changed to "federation", which is the new national governing body.

In Sections 440-5 and 440-18, the department reference has been corrected to read Commerce and Consumer Affairs.

In Section 440-6, the requirement of an annual report to the Legislature is being deleted.

In Section 440-9, the age of a contestant, "at least eighteen years of age" has been substituted for the previously unclear requirement reading "over eighteen years of age."

In Sections 440-11 and 440-12, old fees have been deleted to avoid confusion.

In Sections 440-12 and 440-13, the "trainer" license has been deleted as today the second's license serves the same purpose in addition to allowing more activity for the licensee in a boxer's corner.

Section 440-18 has been amended to authorize inspectors to receive a badge from the commission which has also been an on-going practice.

Section 440-20 has been amended to give the commission the discretion to use three judges and a non-voting referee if it so desires. Many boxing jurisdictions have adopted this procedure which appears to be beneficial, as referees have enough of a responsibility in controlling the fight itself.

Section 440-32 has been amended to allow amateur boxing contestants to be registered with the commission or the commission's amateur representative. This has been an on-going, workable practice in the past.

In addition, Your Committee has deleted Section 440-26, Minors under sixteen years barred from attending, when. This section states that no person under the age of sixteen years shall be admitted to a boxing contest unless accompanied by his parent or guardian." Currently, persons under sixteen years are allowed to participate in amateur boxing contests. Your Committee sees no reason why a contestant's friends and peers, who wish to attend a boxing contest, should be required to be accompanied by an adult.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 287, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 221 Consumer Protection and Commerce on H.B. No. 404

The purpose of this bill is to provide that the loan fees or points charged by an industrial loan company on loans secured by real property and which are not in excess of 3% of the principal amount of the loan do not have to be refunded to the customer for any reason.

The Department of Commerce and Consumer Affairs and a director of the Hawaii Consumer Finance Association supported the bill. All major mortgage lenders such as banks, savings and loans, and insurance and mortgage companies charge such nonrefundable loan fees.

Your Committee has amended this bill to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 404, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222 Consumer Protection and Commerce on H.B. No. 1580

The purpose of this bill is to require all industrial loan companies to become insured by the Federal Deposit Insurance Corporation by July 1, 1984.

The Department of Commerce and Consumer Affairs and GECC Financial Corporation supported the bill.

Your Committee expressed concern about possible unfairness which could result if all industrial loan companies do not become insured simultaneously. Consumers might withdraw money from a company not yet insured by the FDIC and deposit the money into a company which already qualified for the insurance. Dr. Mary Bitterman, Director of the Department of Commerce and Consumer Affairs, testified that she would confer with the FDIC representatives about this matter. To attempt to give all industrial loan companies equal notice, your Committee has amended this bill to make the effective date of the bill July 1, 1983. The required date to have insurance remains at July 1, 1984. Your Committee has also made nonsubstantive amendments to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1580, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 223 Consumer Protection and Commerce on H.B. No. 190

The purpose of this bill is to amend Section 464-13, Hawaii Revised Statutes, by raising the ceiling of unlicensed construction costs for certain structures in proportion to the annual increase in the Honolulu construction cost index provided in the State of Hawaii Data Book published by the Department of Planning and Economic Development.

The bill also deletes the recordation requirement with the Bureau of Conveyances of unlicensed construction activity for new structures used primarily as residences.

Testimony was given by the Board of Registration of Professional Engineers, Architects and Surveyors and by the Building Department of the City and County of Honolulu. Both the Board and the Building Department were in favor of the bill provided that the index of the current year 1982 be used in the adjustment, that the index be adjusted annually from January 1, 1983, and that the annual adjustment of construction cost figures be made by the Department of Planning and Economic Development.

Your Committee is in agreement with the proposed amendments and has amended the bill accordingly.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 190, H.D. 1, and it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 224 Human Services and Transportation on H.B. No. 1572

The purpose of this bill is to eliminate inconsistencies among the various counties in their administration of parking permits which allow handicapped persons access to specifically designated parking stalls.

Your Committees find that at present, the various counties follow disparate practices in their promulgation and administration of rules and ordinances governing parking for the handicapped. Because of this, the permit verifying a handicapped person's parking privileges in one county may not be recognized in another, and that person may be cited wrongfully. Your Committees agree that the provisions of this bill would address this problem by standardizing the format of the parking permits statewide and by establishing a new chapter in the Hawaii Revised Statutes to govern their administration.

Your Committees have heard testimony strongly supporting the bill from the Commission on the Handicapped recommending that: (1) "certificate of disability", which would be required for the issuance of a parking permit, be defined; (2) agreement of directors of finance of each county be required for the adoption of rules under the proposed section; and (3) laws, ordinances, and rules which may conflict with the provisions of this bill be repealed. Your Committees agree with the recommendations of the Commission on the Handicapped and have amended the bill accordingly.

Your Committees also heard favorable testimony from the Department of Transportation

Services of the City and County of Honolulu which recommended that: (1) a time limit of three hours be placed on the use of a handicapped parking stall to encourage turnover and eliminate abuse; and (2) the effective date of this bill be changed from "upon its approval" to January 1, 1984 in order to allow the various counties to procure the necessary identifying placards. In response to this testimony, your Committees amended this bill to include a four hour time limit on parking in a designated stall, and to extend the effective date accordingly.

In addition, your Committees feel that issuance of special license plates to handicapped persons is costly and only duplicates a function which would already be served by the issuance of permanent placards. This provision has therefore been deleted. Your Committees have further amended H.B. No. 1572 by deleting references to and provisions for persons with temporary disabilities who, in the judgment of your Committee, fall outside the intended scope of the bill.

Certain members have expressed concern over inconsistencies in the application of the law engendered by a provision which would allow persons who now hold parking permits because of disability to receive new permanent permits automatically under the proposed law. Because some of these persons would not meet the eligibility criteria set forth under the proposed chapter, this provision would cause inconsistent application of the law. Your Committees do feel that this bill merits further consideration but would like to highlight this point of contention for future reference.

Your Committees on Human Services and Transportation are in accord with the intent and purpose of H.B. No. 1572, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1572, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees .

SCRep. 225 Energy, Ecology and Environmental Protection on H.B. No. 934

The purpose of this bill is to grant the Board of Land and Natural Resources the authority to waive royalty payments to the State for periods not to exceed ten years in situations where such a waiver may encourage the initial or continued production of a geothermal resource.

Your Committee finds that the ability to waive royalty payments during the initial production years would encourage developers to participate in the development of geothermal resources as well as attract the necessary risk capital for such development.

However, your Committee has received testimony expressing concern in regard to the necessity of providing for a royalty waiver period of ten years. Geothermal royalties could play an important role in covering infrastructure costs in the counties that are affected. These funds may also be used for environmental protection or impact mitigation.

Your Committee finds that the waiver of royalties should be made only in the case of true necessity, since revenues from royalty payments are a return to the State for the use of its resources. House Bill No. 934 has therefore been amended to grant the Board of Land and Natural Resources the authority to waive the payment of royalties to the State for any fixed period of time not in excess of seven years.

Your Committee on Energy, Ecology and Environmental Protection is in accord with intent and purpose of H.B. No. 934, as amended here herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 934, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee .

SCRep. 226 Energy, Ecology and Environmental Protection on H.B. No. 1262

The purpose of this bill is to reduce the State's dependence on imported petroleum through the development of ethanol, an indigenous source of liquid fuel. This bill seeks to promote the construction of an ethanol plant by authorizing the Department of Budget and Finance to authorize the issuance of special purpose revenue bonds not to exceed a total of \$30 million.

Your Committee finds that while the State has made impressive progress in working

towards the development of alternative energy sources for the production of electricity, comparable progress has not been made in the search for alternative liquid fuels for transportation, equipment, and other purposes which consume 60 percent of the total energy used in Hawaii.

Your Committee also finds that Hawaii's sugar industry produces approximately 330,000 tons of molasses per year which can be converted into about 23 million gallons of ethanol, equal to approximately eight percent of the State's total gasoline supply. This ethanol could be used as an additive to gasoline and provide 230 million gallons of motor fuel containing ten percent alcohol. In 1982, total consumption of gasoline in Hawaii totaled 308 million gallons.

Your Committee also finds that in 1980, C. Brewer and Company, Ltd. completed a design study for the construction of an ethanol plant at the Hilo Coast Processing Company site on the Big Island with a \$900,000 grant from the U.S. Department of Energy. This plant, which was designed to convert 300,000 tons of molasses per year into 21 million gallons of ethanol, was estimated to cost \$40 million. According to testimony presented to this Committee, C. Brewer decided not to construct the facility at that time due to a number of factors including: high capital costs, the lack of firm market assurances, and the depressed state of the sugar industry.

Your Committee believes that the climate for an ethanol industry in Hawaii has improved as a result of Federal and State exemptions which amount to an effective subsidy of a little more than one dollar per gallon of ethanol. Additionally, the use of ethanol has been increasing rapidly across the nation with 27 states reporting a 300 percent jump in ethanol production during the past year.

The Department of Planning and Economic Development (DPED) submitted testimony in support of this bill. According to DPED, this bill must specify the company and project site for the ethanol plant in order to comply with State Constitutional requirements. In this regard, it expressed optimism that one of several companies interested in ethanol production will be willing to make a commitment to produce ethanol in Hawaii.

Your Committee on Energy, Ecology, and Environmental Protection is in accord with the intent and purpose of H.B. No. 1262 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 227 Energy, Ecology and Environmental Protection on H.B. No. 1322

The purpose of this bill is to improve the State's energy conservation efforts in public buildings by requiring the Energy Resources Coordinator to assist the University of Hawaii and other State departments and agencies in formulating and implementing energy conservation plans for public buildings. This bill would also require every State department and agency providing services to public buildings and offices to: (1) develop and implement energy conservation plans; (2) annually review and update these plans; and (3) prepare annual reports.

While in agreement with the intent of this bill to improve communication, coordination, and implementing actions in carrying out an effective energy conservation program, your Committee finds that the responsibility of the Energy Resources Coordinator, the Department of Planning and Economic Development (DPED), and other State departments to establish and carry out such a conservation program are already clearly spelled out by existing statutes, policies, and regulations, specifically, Chapters 196 and 201 of the Hawaii Revised Statutes (HRS) as well as H.R. No. 98-80. Additionally, your Committee finds that DPED is currently developing an energy management and conservation program that would involve all departments and agencies. This program includes the establishment of a central coordinating committee for the purpose of focusing management activity on Statewide energy conservation efforts.

Your Committee has therefore amended Section 196-4 of the bill as follows:

(1) eliminated the entire subparagraph (b) of paragraph (4) on pages 2-3. Since this deletion would leave Section 196-4 intact, Section 1 of this bill is not necessary; and

(2) deleted subparagraph symbol (a) on line 5, page 2.

Your Committee has also amended Section 2 of the bill as follows:

- (1) renumbered the bill section numbers on pages 5 and 6;
- (2) replaced HRS section number "5" with "6" on line 3, page 5 to recognize the existence of a Section 196-5 relating to the prohibition and exemption of gas appliances with pilot lights;
- (3) deleted subsections (b) and (c) on page 5;
- (4) amended the first sentence on page 6 to read as follows:

"Every state department providing maintenance services to public buildings and offices shall prepare an annual report documenting the progress it has made in meeting its State buildings energy conservation plan timetable."; and

- (5) replaced the subsection symbols (d), (e), and (f) on page 6 with the symbols (b), (c), and (d) respectively.

Your Committee on Energy, Ecology, and Environmental Protection is in accord with the intent and purpose of H.B. No. 1322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1322, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 228 Energy, Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1573

The purpose of this bill is to merge the Environmental Quality Commission and the Environmental Council and realign their functions with the Office of Environmental Quality Control.

Your Committee finds that there is a need to consolidate the fragmented functions among the various entities involved in the environmental impact statement process. Such a consolidation would eliminate much of the confusion relating to the functions and duties of the entities involved. The realignment of these functions will make the entire environmental quality system more efficient and streamlined, thus improving the management of Hawaii's environment.

Your Committees on Energy, Ecology and Environmental Protection and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1573, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 229 Energy, Ecology and Environmental Protection on H.B. No. 1578

The purpose of this bill is to amend Sections 342-12 and 27-21.6, Hawaii Revised Statutes, to transfer the regulation of the design, construction, and operation of private wastewater treatment works from the State Department of Health to the counties.

Your Committee finds that one of the most significant recommendations of the Water Quality Management plans developed jointly by the State and counties in 1978, was the recommendation to transfer the responsibility of the control and regulation of private wastewater treatment plants and disposal systems from the State to the counties. This recommendation was based on the fact that the counties already have the responsibility for determining land uses, zoning, and the approval of development plans. In 1980, each county council passed resolutions adopting their Water Quality Management plans.

While in agreement with the intent of this bill to transfer the responsibility of regulating private wastewater treatment works to the counties, your Committee finds that an immediate transfer of these responsibilities may prove to be difficult for the counties. Therefore, your Committee has amended this bill by designating specific dates upon which this transfer shall take place. This bill has been amended to initiate the transfer on July 1, 1984, for the City and County of Honolulu; and, July 1, 1985, for the counties of Kauai, Hawaii, and Maui.

Your Committee on Energy, Ecology and Environmental Protection is in accord with

the intent and purpose of H.B. No. 1578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1578, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 230 Energy, Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1574

The purpose of this bill is to correct several identified deficiencies in the environmental impact statement preparation, review, and approval process. This bill will make amendments to Chapter 343, Hawaii Revised Statutes, for the purpose of up-dating the law and streamlining the environmental impact statement system.

House Bill No. 1574 proposes to make a distinction between a "Draft EIS" and a "Final EIS" for the purpose of clarity under the current definition of an "Environmental Impact Statement". This bill also changes the acceptance timetable to start with the filing of the final EIS in order to reduce confusion as to when an applicant must be notified of acceptance or nonacceptance of an EIS. This bill further proposes to allow the EIS rules and regulations to prescribe the procedures for the preparation of an assessment and withdrawal of a statement. Also, H.B. No. 1574 designates a "Waikiki Special Design District" and clarifies the distinction between the use of county general plans and development plans.

Your Committees find that chapter 343-5, Hawaii Revised Statutes, currently designates a 60 day period between the following steps of the EIS process: (1) File Draft EIS; (2) Public Review; (3) Response Period; (4) File Final EIS; and (5) Determination of Acceptance. In the past, this 60 day constraint prevented adequate time for the "Response Period" and the "Determination of Acceptance" period. H.B. No. 1578 proposes to eliminate this time constraint. H.B. No. 1578 proposes to designate a 30 day limit only upon the "Determination of Acceptance" period for agency review of the "Final EIS".

However, your Committees find that a specific time limit for the "Public Review" period should be also be included in H.B. No. 1574 since the length of this review critically affects the adequacy of public comment. Your Committees have amended this bill to designate a 45 day limit for the "Public Review" period. This period of 45 days will allow for time consumed by mailing and distribution of EIS documents and will make the state's EIS review period consistent with the federal EIS review period.

Your Committees on Energy, Ecology and Environmental Protection and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1574 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1574, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 231 Housing on H.B. No. 1231

The purpose of this bill is to amend Act 278, Session Laws of Hawaii, Regular Session of 1982 by deleting the date of its repeal.

Act 278 allows the Hawaii Housing Authority (HHA) to issue tax exempt revenue bonds under the Hula Mae program to finance home improvement loans. It also included several "housekeeping" amendments relating to the payment and security of revenue bonds. The expiration date of the Act is December 31, 1983.

Under the federal Mortgage Subsidy Bond Tax Act of 1980, states will not be allowed to issue tax exempt revenue bonds, such as those used in the Hula Mae program after December 31, 1983. The HHA and your Committee believes that the repeal date of the state statute was meant to coincide with the repeal date of the federal act. However, the implication of not eliminating the repeal date under the state statute is greater than originally perceived. The repeal date, in effect, would repeal all of the sections that appear in the Act, which includes important operating definitions and rules.

Your Committee finds that although December 31, 1983 would be the last day on which tax exempt revenue bonds could be issued, the HHA will continue to operate the Hula Mae home improvement program with existing bond proceeds. However, if the sections in question are repealed, HHA will not be able to operate the program since the provisions

in those sections are essential to the program.

Your Committee believes that this program is a worthwhile aspect of the Hula Mae program and that it should be continued, if existing funds allow.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1231 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 232 Housing on H.B. No. 1061

The purpose of this bill is to extend the general excise tax exemptions contained in Section 237-29, Hawaii Revised Statutes ("Exemptions for Low and Moderate Income Housing") to help stimulate private sector participation in developing housing for low and moderate income families.

The bill expands the application of the general excise tax exemptions, which currently only applies to contractors, to persons and firms involved in the planning, design, financing, construction, sale, lease, or rental of government assisted housing. The bill also streamlines other relevant statutory provisions by citing and defining the term "government assistance" in such a way as to stand the test of time rather than citations of specific government housing programs which may not continue in the future. The bill also conforms the state tax treatment to the federal tax treatment for income and obligations issued by non-profit organizations.

Your Committee heard numerous testimony in support of the amendments, including the Hawaii Housing Authority, the Department of Taxation, the City Council, the City and County of Honolulu and several private groups.

Your Committee amended the bill by retaining the present language which restricts the claim for exemption to non-profit corporations and by including limited distribution corporations. Your Committee believes that there should be some limitation on the profit to be earned by any person participating in a project in order to preserve cost reductions in the deliverable price of housing to persons and families of lower and moderate income. Your Committee was informed by the Department of Taxation that the fiscal impact of this measure would not be major.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 233 Housing on H.B. No. 1265

The purpose of this bill is to expand the applicability of Section 359-151, Hawaii Revised Statutes, to housing projects which will be developed under government assistance programs.

Section 359-151 allows the Hawaii Housing Authority (HHA) to make loans to nonprofit entities to do feasibility studies, commonly called "seed money" loans. Currently, the loans are limited to housing projects which will be developed through the use of federal funds.

Your Committee heard testimony that because of general cutbacks, there are fewer federal projects in existence, and therefore fewer projects where the seed money loans can be utilized.

Your Committee believes that the definition of eligible housing projects should be expanded to include government assisted programs of the State and county as well as federal programs, so that the seed money program may be more fully utilized.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1265 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 234 Housing on H.B. No. 1621

The purpose of this bill is to support the provision of affordable housing to low and moderate income and gap group families by reappropriating funds, previously appropriated into the State mortgage guarantee fund (Act 283, Session Laws of Hawaii 1982), which have not been utilized for the purpose originally appropriated. Your Committee finds that in times of uncertain State revenues, previously appropriated monies for housing assistance programs which are currently unutilized can responsibly provide a needed source of funds to support the current and future provision of affordable housing for low and moderate income families. To this end, this bill reappropriates existing funds to the aforementioned mortgage guarantee fund, to a nonprofit housing assistance entity and to an examination and evaluation of current state and county laws, ordinances and regulations affecting the availability and affordability of housing units.

While the aforementioned examination and evaluation should definitely occur, your Committee finds that the highest priority should be given to appropriating funds for the immediate development of affordable housing by a nonprofit housing assistance entity. Your Committee believes that there is a need to provide for the eventuality that, as the housing industry recovers from this recession, private developers will seek to maximize profits by developing housing which may not serve the housing needs currently addressed by joint HHA/private developer programs. Your Committee finds that a private nonprofit organization can serve as an effective means of supplementing existing or implementing future, programs for the provision of affordable housing. A private nonprofit housing assistance organization (1) would not have to generate any profits from the development and sale of housing, thereby reducing the cost of housing; (2) should be able to respond in a timely manner in the acquisition of desirable housing sites and thereby reduce acquisition and other attendant construction or development costs, due to its simplified structure and operation; and (3) could possibly take a more active role in developing affordable housing than a purely governmental agency, without being considered as actively competing with the private sector for-profit housing developers.

Your Committee has amended section 1 of the bill in the following respects: (1) by authorizing the nonprofit recipient of appropriated funds to "develop and assist in" rather than to "promote" the development of for sale and rental housing (page 1, line 15); (2) by requiring the non-profit recipient of appropriated funds to report on the "actual and planned use of funds appropriated" (page 2, line 1); (3) by requiring submittal of copies of studies or examinations funded by appropriations (page 2, lines 8 and 11); and (4) by providing that the appropriation is for fiscal year 1982-1983, as originally appropriated, rather than for fiscal year 1983-1984 (page 1, lines 4-5 and 8-9).

Your Committee believes that the bill, as amended, does not constitute an appropriation of state funds which will be calculated against the fiscal year 1983-1984 expenditure ceiling. Under the amended version of this bill, the fiscal year and expending agency are the same as exists in Act 283, Session Laws of Hawaii 1982. Your Committee intends that the \$400,000 appropriated by Act 283, Session Laws of Hawaii 1982, be utilized for additional activities which complement the purpose of the original appropriation, namely the provision of affordable housing to low and moderate income families.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1621, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 235 Transportation on H.B. No. 408

The purpose of this bill is to require the establishment and maintenance of a reasonable number of parking spaces specifically designed for motorcycles on State and county highways and off-street parking facilities.

Your Committee notes that motorcycles require significantly less parking space than cars. Spaces designed for four-wheeled vehicles are consequently mismatched for the requirements of motorcycles. Your Committee believes this measure will help to address the special needs of motorcycles and also maximize the use of current parking facilities.

Your Committee amended this bill to locate the proposed new statutory material in Part I of Chapter 264, Hawaii Revised Statutes.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 408, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 236 Corrections and Rehabilitation and Judiciary on H.B. No. 792

The purpose of this bill is to transfer the Intake Service Center (ISC) and its statutory functions to the Judiciary Branch.

Under present law the ISC is administered by the Department of Social Services and Housing under the Executive Branch. This arrangement has caused jurisdictional problems and duplication of services between the ISC and the Judiciary.

Your Committees are in agreement with the Executive and Judiciary Branches that the transfer of the ISC in total to the Judiciary Branch will enhance the efficiency of the criminal justice system. The consolidation of certain functions and resources of the ISC and the Judiciary will reduce fragmentation and duplication of services.

Your Committees on Corrections and Rehabilitation and Judiciary are in accord with the intent and purpose of H.B. No. 792 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 237 Corrections and Rehabilitation on H.B. No. 26

The purpose of this bill is to appropriate funds for the plans, design and construction of the Oahu Medium Security Correctional Facility at Halawa, Oahu.

Your Committee feels that the construction of the Medium Security Facility at Halawa must not be delayed. The continuing increase in the inmate population of Hawaii's correctional system has created tremendous pressures on the Oahu Community Correctional Center. This facility is critically overcrowded and has been forced to house inmates in a 60 year old cellblock, the wooden Keehi Annex, the old Administration Building and recently the Hookipa Cottage at the Hawaii Youth Correctional Facility. This dependence on temporary substandard housing areas has produced a substantial number of management problems, including reduced security for staff and inmates. These problems have created a potentially explosive situation which will continue to worsen unless permanent relief is provided.

The Department of Social Services and Housing has projected that this proposed facility will be filled to capacity soon after it is opened. Your Committee agrees that construction of this Medium Security Facility will not only alleviate the overcrowded conditions, but will provide vital space for rehabilitation programs.

Your Committee has amended this bill by rewording the two subparagraphs in Section 1 to eliminate confusion as to the specific stages of construction which the appropriation would be funding. The sum of the appropriation was also amended downward to reflect the most recently developed construction estimates available from the architectural consultants.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 26, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 238 Judiciary on H.B. No. 962

The purpose of this bill is to amend sections 607-8 and 607-4 of the Hawaii Revised Statutes by providing an increase in the fees paid to sheriffs, serving officers, levying officers, and police officers who serve a civil summons or other civil process. The bill will increase the fees charged from the present \$7.00 to \$8.00 effective July 1, 1983, and to \$9.00 effective July 1, 1984.

The Judiciary testified in support of this bill saying that the present fees for service of process have not been increased since 1979 and the adjustment proposed is necessary to meet increasing costs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 962 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 239 Judiciary on H.B. No. 851

The purpose of this bill is to allow the Commission on the Status of Women to appoint an executive secretary without regards to Chapter 76 and 77, Hawaii Revised Statutes.

Your Committee has heard testimony from the Office of Affirmative Action, Hawaii Federation of Business and Professional Women's Clubs, Inc. and the Commission on the Status of Women supporting the bill.

Opposing testimony was given by Hawaii Government Employees Association indicating that the position of executive secretary should remain a civil service position similar to those executive secretaries who serve boards and commissions in the Department of Commerce and Consumer Affairs.

Your Committee notes that such commissions as the Commission on the Handicapped, Hawaii Revised Statutes 348-E and Executive Office on Aging 349, Hawaii Revised Statutes, have executive directors or secretaries exempt from Chapter 76 and 77.

Your Committee believes that the Commission on the Status of Women would be more appropriately staffed by an exempt position since the commission's mission and purpose is to address problems relating to women at a policy level. Your Committee feels the goals of this commission would best be served with an appointed position.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 851 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 240 Judiciary on H.B. No. 783

The purpose of this bill is to authorize the chief justice to assign retired intermediate appellate judges or retired supreme court justices to the intermediate appellate court when there are not three intermediate appellate judges available to make up a panel because of a vacancy or disqualification.

The Judiciary testified in support of the bill. The bill will alleviate the need to assign circuit court judges to the intermediate appellate court and thereby aid in the reduction of backlogged cases in both the circuit and intermediate appellate courts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 783 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 241 Judiciary on H.B. No. 663

The purpose of this bill is to provide notice to crime victims of those governmental actions which would place the criminals who harmed them back into the community. As originally drafted, the bill required that such notice be given to all victims of all crimes.

Upon receiving testimony at the hearing on this bill, your Committee has found that the purpose of the bill would be better served if it was narrowed so as to apply only in instances of crimes against the person. Further, your Committee concluded that the provisions of the bill should be extended to include prosecution witnesses. These and other amendments have been made to the bill as follows:

1. The bill has been amended to provide that notice required to be given to crime victims is to be given only to victims of crimes against the person, as defined in the penal code, or of attempts to commit such offenses. Further, such notice is to be given only to those victims who request it of the courts, paroling authority, or department of social services and housing, the agencies whose actions may release criminals into the community.

2. The protection of the bill has been extended to prosecution witnesses who testified in the cases which led to the convictions of the subject criminals for offenses against the person or attempts to commit such offenses, provided that such witnesses have requested that the courts, paroling authority, or department of social services and housing, as appropriate, provide them with such notice.

Your Committee finds that witnesses are exposed to the same dangers as victims and, therefore, should be accorded the same protection as though they were victims.

3. The requirement of the bill that the governor provide notice of his acts of reprieve, commutation, or pardon has been deleted as unnecessary.

4. The adjective "living" which modified the word "victim" in the bill also has been deleted as unnecessary.

5. The bill has been amended to provide that neither the failure of a state official or employee to comply with its requirements nor compliance with such requirements shall subject the State or the officer or employee to civil liability. The bill does provide, however, that competent authority (in most cases, the appointing authority) may take the failure of an officer or employee to comply with the requirements of the bill into consideration as a basis of disciplinary action.

6. The bill has been further amended to require that the appropriate agency need only provide the notice to persons requesting it at the addresses provided by them to the court, paroling authority, or department of social services and housing.

During its hearing on this bill, your Committee received an assurance from a representative of the office of the prosecuting attorney for the City and County of Honolulu that that office, through its victim kokua program or otherwise, would attempt to notify victims and prosecution witnesses of their right to request the notice provided for herein of the appropriate agency. It is anticipated that the county prosecutors, courts, paroling authority and department of social services and housing will consult and cooperate to the end that victims and witnesses desiring the notice provided for in the bill will be able to provide their requests to the appropriate agencies at the appropriate times.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 663, H.D. 1, and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 242 Judiciary on H.B. No. 8

The purpose of this bill is to provide an appropriation for a comprehensive review of Hawaii's ten-year-old penal code in light of ever-mounting concern throughout the community about the problem of crime.

Upon receiving testimony at the hearing of this bill, your Committee has found itself in agreement with this purpose. However, this testimony and a review of past efforts at extensive law reform in the fields of criminal law and evidence, both of which resulted in comprehensive studies and sweeping changes of law, convince your Committee of the appropriateness of assigning the task of conducting the study to the Judicial Council of Hawaii rather than a legislative committee. The testimony also has enabled your Committee to set forth more precisely the structure and timetable within which the study should be conducted and to fix a reasonable sum for the appropriation made by the bill. Accordingly, your Committee has amended the bill as follows:

1. The bill has been amended so that the study of the penal code will be undertaken by the Judicial Council rather than a penal review committee of the legislature. The satisfactory past work of the Council on the penal code and on the code of evidence are major reasons for the conclusion that it was the appropriate agency to conduct the review of the penal code.

2. The bill calls for the creation of an advisory committee to be appointed by the Judicial Council to assist the Council on this project. This committee is required to include among its members, representatives of specified state and county agencies who have particular functions in the criminal justice system.

3. A two-year deadline has been established for the completion of the study with an interim report to be made to the Legislature during its 1984 regular session.

4. In 1981, the Legislature appropriated money to the Department of Transportation and set forth a requirement that it use the money to contract with the Legislative Auditor to conduct a requested study. The Attorney General has concluded that the requirement that the Department of Transportation contract with the Auditor to conduct the study violated the doctrine of separation of powers. Accordingly, although your Committee believes that part of the sum appropriated to the judiciary branch by this bill for carrying out this study should be used to obtain a reporter for the project from the faculty of the Richardson School of Law, your Committee, rather than write such a requirement into the bill, has urged the judiciary to turn to the law school for the services of a reporter and researcher or researchers for the study.

5. The bill appropriates to the judiciary the sum of \$50,000, or so much thereof as may be necessary for the conduct of the study.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 8, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 8, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 243 Transportation on H.B. No. 1237

The purpose of this bill is to exempt bicycles brought in from outside the State from State bicycle tax and bicycle tag requirements for the remainder of the year for which the out-of-state taxes have been paid on the bicycle so long as the bicycle displays a tag for the current year as required by the law of the state or country in which the bicycle tax has been paid.

Your Committee finds that requiring out-of-state bicyclists to pay the State bicycle tax and requiring them to obtain bicycle tags at the various county police stations discourages them from bringing bicycles into the State for competition or for touring purposes. Your Committee finds that concerns about identification of stolen bicycles are adequately addressed by the requirement that these bicycles display the tag for the current year.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1237 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 244 Judiciary on H.B. No. 1362

The purpose of this bill is to propose amendments to Article III, sections 2 and 3, and Article IV, section 4, of the Hawaii State Constitution to make variable the number of Senators and Representatives to be elected from respective senatorial and representative districts.

The bill proposes a change to the State Constitution which will allow the Reapportionment Commission to change the composition of the Senate and House of Representatives.

Under the proposed changes, the Senate shall be composed of twenty-five members, or a number of members as may be established by the Reapportionment Commission, such number not to exceed twenty-seven.

Under the proposed changes, the House of Representatives shall be composed of fifty-one members, or a number of members as may be established by the Reapportionment Commission, such number not to exceed fifty-five.

The bill also proposes to allocate the total number of members of each House of the State Legislature being reapportioned among the four basic island units on the basis on the number of voters registered in the last preceding general election. This is a

change from the equal proportions method of computation.

At the time the current number of State Senators and Representatives was established by the 1950 Constitutional Convention, the population of the State was 497,000. Today that population has doubled and there have been significant changes in the distribution of this population. In addition, federal requirements for voting representation have been substantially altered by the Supreme Court decision, Baker v. Carr, 369 U.S. 186 (1962), and its progeny, which set new standards for the "one man, one vote principle".

Your Committee finds that in the Hawaii context and recent reapportionment experience, a reapportionment process which must deal with a fixed number of legislators and yet achieve a reapportionment plan which comports with the strict federal constitutional standards under the "one man, one vote" principle too often results in district lines crossing established communities, natural geographic features and even traditional basic island units.

On the other hand, use of a variable number mechanism in the 1982 reapportionment would have given the Reapportionment Commission the flexibility to meet federal constitutional requirements of equal population distribution, as well as the Hawaii constitutional requirements for apportionment among and within basic island units.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1362 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1362 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245 Judiciary on H.B. No. 1213

The purpose of this bill is to propose the repeal of Article VII, section 6 of the Hawaii State Constitution to eliminate the requirement that excess revenues be returned to taxpayers if the general fund balance at the close of each two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years.

Your Committee finds that although there have been budget surpluses, there are also times when the State may face a general fund deficit. The State should be able to carry over surpluses to meet continuing needs during those periods where State revenue declines.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1213, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1213, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 246 Judiciary on H.B. No. 1290

The purpose of this bill is to appropriate \$200,000 out of the general revenues of the State for the gathering of data, analysis, research surveys of population distribution, and other activities relating to reapportionment.

The Hawaii State Reapportionment Commission was originally appointed in March 1981. In 1982 the Legislature passed Act 249, Session Laws of Hawaii, to extend the life of the Reapportionment Commission. The extension, which is applicable "until a general election is held under a reapportionment plan of the commission or a new commission is constituted," provided the Commission with additional time to develop a plan meeting the requirements of both the Hawaii and the U.S. Constitution.

In conjunction with Act 249, the Legislature also appropriated \$200,000 to the Lieutenant Governor's office for Fiscal Year 1983 to provide funding for surveys and data computation necessary to support a new reapportionment plan. Before these funds could be expended and the studies undertaken, the \$200,000 lapsed at the end of June 1982. House Bill No. 1290 would reappropriate the lapsed funds.

The Lieutenant Governor expressed to the Committee his concern that without the data, the reapportionment plan of the Commission would constantly be subjected to challenge.

Until June 30, 1983 a reapportionment plan developed by five masters appointed by

the U.S. District Court to satisfy Federal requirements for the 1982 elections is in effect. Reapportionment is not an area that should be handled by the courts, rather it should be handled by the Commission. The Federal Plan currently in effect is an interim plan, the State needs its own plan and does not have one at the present time.

The issue will remain in flux until the State has the appropriate data about population basis.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1290 and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1290, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 247 Judiciary on H.B. No. 992

The purpose of this bill is to provide the transfer of authority from the state to the counties to determine the appropriate penalties for unlicensed dogs and stray licensed dogs, as well as the impounding fee for such dogs. The bill also clarifies the definition of "officer" and further provides that a parent or guardian shall be responsible for compliance with the laws pertaining to the licensing and regulation of dogs when the owner is a minor. This bill will also make it a misdemeanor consistent with the penalty for cruelty to animals as provided for under section 711-1109 of the Hawaii Revised Statutes for failing to destroy or provide suitable medical treatment for diseased dogs.

Under present law, each county is responsible for apprehending and maintaining shelters for unlicensed dogs while the fee for the feeding and impounding of dogs rests with the state. At present, the counties are permitted to charge only 25 cents per day for the impounding of dogs and the penalty for owning an unlicensed dog is 50 cents. Your Committee feels that these amounts are minimal and should be raised and that the authority to determine the penalty for unlicensed dogs and the impounding fee should be transferred from the state to the counties.

Your Committee recognizes that the problem of dog overpopulation throughout the state has been increasing. Therefore, your Committee feels that the counties shall require the neutering of dogs prior to sale.

Your Committee is in agreement that there is a need to clarify the responsibility of a parent or guardian where the owner of a dog is a minor. Your Committee also recognize that the failure to properly care for diseased dogs should be consistent with the penalty for cruelty to animals, and therefore, makes it a misdemeanor to do so in line with section 711-1109 of the Hawaii Revised Statutes.

Your Committee has received testimonies from the counties of Honolulu and Kauai who also spoke on behalf of the Hawaii State Association of Counties, the Honolulu Police Department and the Hawaiian Humane Society. These organizations spoke in support of the bill.

Your Committee has amended the bill by clarifying the definition of officer to only include police officers in counties having a population of less than 100,000. Your Committee feels that the seizure of stray dogs is not a proper function of the police department; but in these areas where there are no animal control officers, the police officers may perform this function.

Your Committee has also amended the bill to correct a drafting error.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 992, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 248 Judiciary on H.B. No. 1044

The purpose of this bill is to appropriate from the general revenues of the State of Hawaii the sum of \$28,100 or as much of that sum as shall be necessary for fiscal year 1983-1984 for the costs of a position of Juvenile Diversion Coordinator in the Hawaii county police department.

Your Committee finds that this appropriation is in the best interests of the State of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 1044 and recommends that it pass Second Reading in the form attached hereto as H.B. 1044 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 249 Judiciary on H.B. No. 1043 (Majority)

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$40,228 or as much of that sum as shall be necessary for fiscal year 1983-1984 for the costs of the position of the Hawaii Isle Police Activities League Coordinator.

Your Committee finds that the appropriation is in the best interests of the State of Hawaii.

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

Signed by all members of the Committee.
(Representative Taniguchi did not concur.)

SCRep. 250 Judiciary on H.B. No. 784

The purpose of this bill is to allow the chief justice of the supreme court to assign any retired circuit judge from any circuit when there is any disqualification of any circuit court judge, when a circuit court judge is unable to attend to his duties, when there is a vacancy in the office of any circuit judge, when there is congestion of work in any circuit, or for any other reason.

Your Committee has heard testimony from the Judiciary in support of this bill. The Judiciary has stated that the number of circuit court cases has increased and the backlog of cases is growing. The Judiciary testified that this bill will help to solve the problem.

Your Committee has amended this bill to conform the proposed bill with the requirement of Section 602-55, Hawaii Revised Statutes, by adding on page 2, line 4, the following sentence:

"A judge serving temporarily shall not be actively engaged in the practice of law. Substitute judges shall be compensated per diem at a rate of pay equivalent to that of circuit court judges."

The amendment was made to ensure consistency in the practice of using retired judges and in the compensation paid to them.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 784, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 251 Judiciary and Higher Education and the Arts on H.B. No. 1339

The purpose of this bill is to appropriate moneys from the general revenues of the State for the payment of a negotiated settlement between the Research Corporation of the University of Hawaii and Hawaiian Dredging and Construction Company on claims for cost overruns incurred in construction related to the development of an OCEAN Thermal Energy Conversion plant, commonly known as "Mini-OTEC".

The State of Hawaii, Dillingham Corporation and Lockheed Missiles and Space Company entered into a "cooperative research agreement for a Mini-OTEC demonstration project" on August 2, 1978. The Research Corporation of the University of Hawaii entered into a contract with Dillingham on December 1, 1978 to provide the management services for the project for \$565,000.

In March, 1971, Dillingham notified the Department of Planning and Economic Development (DPED) that its costs would be above \$565,000. After several meetings, the State approved an additional \$300,000, bringing the approved total to \$865,000. By June, 1979, DPED was notified by Hawaiian Dredging and Construction that its costs had exceeded \$865,000. After a meeting with the State officials, the President of Hawaiian Dredging and Construction Company instructed that no new cost commitments be entered into upon completion of the physical construction and management phase of the contract.

The Mini-OTEC project was successfully operated for two and one half months before it was returned to the University's Snug Harbor Facility in November, 1979. Dillingham Corporation, doing business as Hawaiian Dredging and Construction Company had expended \$411,644.64 more than expected before the contract expired on November 1, 1979.

Since Hawaiian Dredging and Construction Company had contributed overhead and profit to the success of Mini-OTEC, the State, through DPED, recommended that the settlement reached in the sum of \$321,786 be paid in full for all claims held by Dillingham Corporation dba Hawaiian Dredging and Construction Company which arose out of participation in the construction and development of Mini-OTEC.

The Department of Planning and Economic Development and the Attorney General have reviewed and evaluated the claims and procedures employed in reaching the settlement figure and consider the settlement to be fair, equitable, and in the best interests of the State of Hawaii.

Your Committees on Judiciary and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 1339 and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1339 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Takamine.

SCRep. 252 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 645

The purpose of this bill is to provide a grant-in-aid to the Hawaii County Economic Opportunity Council on the island of Hawaii so that, that agency could continue maintaining its efforts in providing critically needed services, primarily related to low-cost food and other consumables, to the most economically disadvantaged elderly of the said county. The target group is low-income elderly living in isolated rural areas of Kohala and South Kona.

According to testimony, original funding of these activities was provided through a federally-funded project. With elimination of funding by the federal government, the project is expected to fail in its sponsorship of these activities for the elderly.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 645 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 253 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1193

The purpose of this bill is to provide funds for planning and administering a program by the Hawaii Redevelopment Agency in economic revitalization of downtown Hilo and adjacent Kukuau and Pu'ueo, taking into consideration the economic and social effects of redevelopment on the elderly residents, small business tenants, property owners in the areas, and the people of the community.

According to testimony, the Hawaii Redevelopment Agency is in need of a grant-in-aid of \$100,000 for the fiscal years 1983-1984 and 1984-1985, in order to provide for staff salaries, supplies, equipment, a possible additional staff position, and consulting services to resolve engineering, legal, and environmental concerns and needs for the purpose of the bill. Your Committee is in agreement with the intent of the bill, but recommends that an amendment be made such that the sum of \$100,000 be expended for two fiscal years, not for just the fiscal year 1983-1984. Testimony by the manager of the agency indicates that the appropriation is for two instead of one year. Section 1 of the bill has been amended to reflect the recommendation.

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

with the intent and purpose of H.B. No. 1193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1193, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 254 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1398
(Majority)

The purpose of this bill is to fund a comprehensive study by the Department of Planning and Economic Development of an underwater cable system to provide electrical service from the Maui Electric Company to Molokai's consumers.

Your Committee finds that Molokai's residents are faced with extremely high electricity costs, having increased several times in the past few years, and with numerous blackouts and brownouts in electrical service. Moreover, Molokai Electric Company's new biomass generator is inoperable at the present time.

According to testimony, an inter-island electrical cable system is considered to be a feasible and practical means of transporting energy between the islands of Hawaii. In particular, the technical feasibility of linking Molokai to Maui has already been confirmed by cable manufacturers and installers.

Your Committee is in agreement with the intent and purpose of the bill and recommends that the sum of \$150,000 be appropriated for the purpose of conducting the study. Section 2 of the bill has been appropriately amended to reflect this amount.

Non-substantive and other technical amendments have been made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1398, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.
(Representative Matsuura did not concur.)

SCRep. 255 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1627

The purpose of this bill is to make an appropriation to the Department of Land and Natural Resources for the purpose of removing the banyan tree in the Nuuanu petroglyph complex.

According to testimony, the root system of the banyan tree is a threat to the historic site and should be removed. The bill would provide funds to remove the tree. Additional testimony was received from Representative Rod Tam in support of the bill.

Your Committee is in agreement with the intent and purpose of the bill and has accepted the recommendations by the Department of Land and Natural Resources that a sum of \$2,000 be appropriated. The proper amendment in Section 1 of the bill reflects the recommendation.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 256 Consumer Protection and Commerce on H.B. No. 810

The purpose of this bill is to clarify and update the regulatory laws on beauty culture. These "housekeeping" amendments include the deletion of specific gender references, elimination of the secretary and treasurer and appointment instead of an executive secretary, repeal of references to equal hours of training for classified practices, and the establishment of biennial shop license renewal fees and an instructor-trainee registration fee.

Testimony from the Board of Cosmetology supported the bill.

Your Committee has made technical, nonsubstantive amendments to this bill to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 810, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257 Consumer Protection and Commerce on H.B. No. 978

The purpose of this bill is to substitute the period July 1, 1983 to June 30, 1988 for the period May 17, 1976 to June 30, 1981, as the time when wholesalers are exempt from excise tax on fruit wine.

Testimony on this bill and H.B.'s 769 and 869 were heard simultaneously since they all relate to amendments to such excise tax exemption.

Local manufacturers of the liquors exempted urged an extension of the exemption to assist them at a crucial time in the development of their businesses. The Department of Taxation felt that any expired tax exemptions should not be extended since the legislative purposes had been fulfilled. Testimony opposing the bill also was provided by Better Brands, Ltd. stating that the original legislative intent to help new local businesses was not accomplished by such legislation.

To encourage the development of a local liquor industry, the State has previously granted liquor tax exemptions to certain locally grown or manufactured liquor products. The exemptions provide the exempted local products with a twenty percent cost advantage over liquor which is produced out-of-state. Assuming that this cost advantage is passed on to the consumer in the form of a lower price, these products enjoy a price advantage in the local market. Your Committee heard testimony, for example, that the rum exemption enacted in 1981 has been the major factor in establishing locally manufactured rum as an important element in the Hawaii market. The constitutionality of this method of assisting local industry was recently tested and sustained in a unanimous decision by the Hawaii Supreme Court in In Re Bacchus Imports, Ltd.

After receiving testimony your Committee believes it would be beneficial to current manufacturers of fruit wine to extend the exemption until June 30, 1986. This extension, however, is intended to be the final one and your Committee hereby cautions all persons subject to this amendment to plan accordingly.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 978, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258 Consumer Protection and Commerce on H.B. No. 965

The purpose of this bill is to establish standards governing the alarm business.

Testimony by the police department of the City and County of Honolulu and the Hawaii Burglar and Fire Alarm Association discussed the necessity for legislation in this area. In 1982, police responded to an average of over 2,000 false alarms per month.

This bill attempts to combat the false alarm problem by requiring alarm businesses to be bonded, record-keeping and system identification, and alarms to shut off within 15 minutes; prohibiting alarms from automatically dialing the 911 emergency number; and providing for restitution and penalties for violations of these new laws.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 965 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259 Consumer Protection and Commerce on H.B. No. 1304

The purpose of this bill is to delete the provision in the Industrial Loan Company Guaranty Act which provides that the \$15,000 initiation fee may be applied to the credit of any assessment levied by the Thrift Guaranty Corporation of Hawaii.

A representative of the Department of Commerce and Consumer Affairs explained the bill.

This bill is a companion bill to H.B. No. 1580 which requires industrial loan companies to be insured by the Federal Deposit Insurance Corporation by July 1, 1984. In that event, under this bill, the Thrift Guaranty Corporation would be able to utilize remaining initiation fees for winding down purposes.

Your Committee has made technical amendments to this bill for clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1304 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1304, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260 Consumer Protection and Commerce on H.B. No. 1402

The purpose of this bill is to increase from 13 to 15 the number of the contractors license board, and provide that 11 instead of 9 members must be contractors, 3 instead of 2 shall be residents of each of Hawaii and Maui counties, and 5 instead of 3 be specialty contractors.

Testimony from numerous specialty contracting organizations supported increasing their representation on the board. The Contractors License Board testified that the present law should remain unchanged.

Your Committee finds that there are more specialty than general contractors in the State and, therefore, believes their representation on the board should be increased. Amendments have been made to change the board to consist of 5 general building or engineering members, 5 specialty members, and 3 public members. This configuration also maintains the board at its present size of 13.

Testimony was also presented that mandating representation from each island was costly for the board since travel expenses must be assumed by the board. Your Committee, therefore, has deleted provisions relating to board representation from each island.

The present terms of board members are staggered. To accommodate the reconfiguration of the board and yet not affect current members' terms, your Committee has provided that current members be allowed to serve until their current terms expire. After the effective date of the Act, the first general contractor and public member whose terms expire will each be replaced with a specialty contractor.

Your Committee has also made technical amendments for the purposes of style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1402, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261 Consumer Protection and Commerce on H.B. No. 743

The purpose of this bill is to repeal provisions which require licenses for the operation of ball or marble machines and which prohibit their use by minors.

A representative of students of Mid-Pacific Institute and a practicing attorney supported the bill. Representatives Blair and Dang submitted a memorandum on the subject.

On June 17, 1980, the Hawaii Supreme Court issued a decision declaring that the prohibition

of the use of ball and marble machines by minors violated constitutional principles of equal protection. The court found that when the statute was enacted in 1945, ball and marble machines were games of pure chance. The games have evolved into games requiring skill and are similar to electronic video games which are not similarly regulated.

In light of the court's decision, your Committee supports a repeal of the licensing requirements and prohibitions on use by minors of ball and marble machines.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 743 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262 Consumer Protection and Commerce on H.B. No. 685

The purpose of this bill is to increase the current rate of interest allowable from 10 to 12 per cent per year when there is no express written contract fixing a rate of interest. The bill also provides for an increase from 10 to 12 per cent per year in the rate of interest allowed on any judgment recovered before any court in the State for any civil suit.

The bill further provides for an increase in the interest rate on written contracts from one to one and one-half per cent per month.

Testimony in favor of the bill was given by the Hawaii Business League.

Testimony against the bill was provided by GECC Financial Corporation.

Your Committee is in accord with the amendments proposed concerning Section 478-1 and 478-2, Hawaii Revised Statutes.

However Your Committee does not concur with the amendment which would increase the usury rate from one to one and one-half per cent per month. Current licensing provisions for lending institutions require obtaining an industrial loan license only if the person or company charges an interest rate greater than that permitted by Section 478-3, Hawaii Revised Statutes; that section establishes the usury rate in this state.

An increase of the usury rate to 18% per year would allow persons or companies to enter the lending business in Hawaii without obtaining a license and without being subject to any state regulations or examination.

Your Committee has accordingly amended this bill to delete the proposed increase in the rate of interest allowed on a written contract.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 685, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263 Consumer Protection and Commerce on H.B. No. 1202 (Majority)

The purpose of this bill is to amend sections of Chapter 269, Hawaii Revised Statutes, to refelct the recommendations of the Ad Hoc Committee created by SCR 71-82 which include s representation from the public utilities industry, the Public Utilities Commission, and the Consumer Advocate.

The amendments include the following findings and recommendations of the Committee regarding:

- (1) The appointment of hearing officers and attorneys by the chairman of the Public Utilities Commission;
- (2) Internal rules and regulations of the Public Utilities Commission and the Consumer Advocate;

- (3) Administrative procedures of the Public Utilities Commission and the Consumer Advocate;
- (4) The creation of a Public Utilities Commission Special Fund;
- (5) The time it takes to complete a rate case;
- (6) The data necessary for a rate request; and
- (7) The attendance of the Consumer Advocate at a public hearing.

Testimony in favor of the bill was given by the Division of Consumer Advocacy of the Department of Consumer Affairs and Hawaiian Electric Company.

The Department of Budget and Finance supported the intent and purpose of the bill but expressed concern that the bill does not contain provisions for appropriations to cover the retention of hearing officers and the hiring of additional attorneys.

Hawaiian Telephone Company supported the bill but expressed concern about regulatory lag which is detrimental to the public interest.

Your Committee made non-substantive changes to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1202, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Baker did not concur.)

SCRep. 264 Consumer Protection and Commerce on H.B. No. 556

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter concerning self-service storage facilities.

Testimony in favor of this bill was given by two owners of self-service storage companies who said that this new industry is currently without legislative guidelines or definitions. Clarification through appropriate legislation is called for to protect consumers through uniform procedures.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 556, and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 265 Consumer Protection and Commerce on H.B. No. 1197

The purpose of this bill is to reiterate that real estate agents and direct sellers are not employees for the purpose of the Hawaii Income Tax Law.

The Director of Taxation testified that the measure was unnecessary since real estate agents and direct sellers, as defined in the bill, were not currently treated as employees for income tax purposes. Although the current law does not specifically state as much, a legal opinion received by the Director of Taxation interpreted the law to support the director's belief. The Hawaii Association of Realtors testified that it agreed that the laws are presently being interpreted to exclude such agents and sellers from the employer-employee relationship, but that this bill would firmly set forth the interpretation in case any subsequent Director of Taxation did not agree with the current director.

Your Committee believes that the bill will have no negative impact on the taxes of the State and, therefore, finds it beneficial to pass legislation to prevent any future varying interpretation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1197 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 266 Higher Education and the Arts on H.B. No. 359

The purpose of this bill is to repeal the sunset provision of Section 304-14.6, Hawaii Revised Statutes, for granting tuition waivers to qualified Hawaii National Guard and Army Reserve members.

Testimony presented has shown that the tuition waiver is an incentive by which the National Guard and Reserve attract more self-motivated young people to enlist and continue with the services as a career. Statistics support that the program has met its objectives by boosting enlistment and reenlistment participation, increasing morale, and thus producing more competent personnel. Toward this end, the program has proven itself and should be a permanent rather than temporary incentive.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 359 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 267 Higher Education and the Arts on H.B. No. 438

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum or so much thereof as may be necessary for fiscal year 1983-1984, for the enlargement of the women's softball program at the University of Hawaii, Manoa, Oahu.

Your Committee finds that the development of a women's softball program will bring greater parity between men's and women's athletics at the University of Hawaii, Manoa, which is appropriate and consistent with the intent of Title IX legislation.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 438 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 268 Higher Education and the Arts on H.B. No. 742

The purpose of this bill is to establish a center to be known as the Center for Hawaiian Biological Research which shall be responsible for:

- (1) Developing sound and environmentally safe programs for pest management.
- (2) Promoting Hawaii as a unique natural laboratory for studying basic biological phenomena and, to that end, striving to attract extramural funds from federal, state, and private agencies;
- (3) Coordinating the dissemination of information and the study of Hawaii's unique physical and biological features;
- (4) Organizing a program to develop an awareness of Hawaii's unique ecosystem for the people of Hawaii; and
- (5) Developing an index of current and past studies involving the Hawaiian biota.

For these purposes the bill proposes to appropriate \$110,000 for fiscal years 1983-84 and 1984-85, the University of Hawaii being the expending agency.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 742 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 269 Higher Education and the Arts on H.B. No. 1425

The purpose of this bill is to appropriate a sum or so much as may be necessary for

the fiscal years 1983-1984 and 1984-1985 to the Ethnic Studies Oral History Project to ensure the long-term stability of its services and functions as promulgated by Act 163, Session Laws of Hawaii 1971, naming the University of Hawaii as expending agency.

Through testimony presented, your Committee is aware that since 1976 the ESOHP with minimal staffing of five has functioned at a high level of activity, consistently fulfilling its stated purposes by: collecting historical data on Hawaii's various ethnic groups through approved oral history methods; preserving this data in taped and transcribed form; making such data accessible to the public by placing bound transcripts into public libraries and repositories statewide; producing educational by-products from the raw data such as pamphlets, journals, readers, books, displays, slide shows, and videotapes; disseminating these products to students, teachers, and the general community; serving as a resource center to the general public by providing materials and technical assistance upon request.

To continue recording, preserving, and disseminating the experiences and values of Hawaii's people, your Committee feels it is vital that ESOHP finds a stable, supportive administrative "home". It is urgent that this program be continued since its primary source of information, the first generation of immigrants, is being lost daily. To this end, this bill is amended by inserting the sum of \$110,000 for each of the fiscal years 1983-1984 and 1984-1985.

This bill is further amended by making a technical, nonsubstantive change in line 4 of Section 1.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1425 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1425, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 270 Employment Opportunities and Labor Relations and Education on
H.B. No. 937

The purposes of this bill are to (1) require the Director of Planning and Economic Development to declare those districts of the State, meeting certain requirements as "depressed area"; (2) authorize the establishment of a vocational and occupational retraining program for workers displaced by plant shutdowns; (3) establish a public service job program to provide limited duration public employment in a depressed area; and (4) provide appropriation for these purposes.

Due to economic uncertainty there is widespread concern regarding major business or plant shutdowns and consequent widespread lay-offs of workers who are or will be experiencing economic disruption in their lives. While it is the belief of your Committees that this bill will provide the necessary assistance for affected individuals to readjustment into the mainstream of the community, your Committees believe the Committee on Finance should determine the appropriate level of State financial support for these programs.

Your Committees concur with testimonies from the Director of Labor and Industrial Relations and the Director of Planning and Economic Development which support the intent of this bill.

Your Committees on Employment Opportunities and Labor Relations and Education are in accord with the intent and purposes of H.B. No. 937, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 271 Employment Opportunities and Labor Relations on H.B. No. 1538

The purpose of this bill is to allow the courts to award the whole cost of the proceeding, including reasonable attorney's fees, to the party who is awarded judgment, in addition to the enforcement remedies set forth in the statutes.

Under the present law any party of interest may file with the Circuit Court a workers' compensation decision of the Department of Labor and Industrial Relations Appeals Board on which stay of payment has not been granted. The Circuit Court may then

grant a judgment against either the employer or employee in addition to awarding a fine of from one per cent to five per cent of the judgment. This measure would permit the awarding of court costs and reasonable attorney's fees should the Circuit Court award judgment.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1538 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 272 Employment Opportunities and Labor Relations on H.B. No. 1532

The purpose of this bill is to change the present statutory interest rates, assessed against default workers' compensation payments, from 10 per cent to 18 per cent.

Your Committee believes that in light of current market interest rates and the high cost of living, an injured worker who has monthly payments and other financial obligations to meet will suffer unnecessarily if workers' compensation payments due are not received within the time limits set forth in the statutes. Moreover, a percentage increase on the interest payable on late workers' compensation payments will hopefully encourage timely payments and also compensate the injured person for any late payment of his financial obligation.

Your Committee concurs with testimony from the Director of Labor and Industrial Relations and the Hawaii Building and Trades Council AFL-CIO supporting this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1532, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 273 Employment Opportunities and Labor Relations on H.B. No. 1464

The purpose of this bill is to establish a Career Planning Program Center which provides career planning, training, and retraining services for displaced workers and other persons who are seeking a career or contemplating a career change, in the County of Hawaii.

Your Committee finds that due to economic uncertainty there is widespread concern regarding plant shutdowns and consequent widespread lay-offs. The County of Hawaii presently has the highest unemployment rate in the state and the announced closing of a major Sugar Plantation has had traumatic effect on the individuals who will be forced to look for gainful employment elsewhere. A planned program of job transition services could be made available to prepare workers prior to their lay-off date. Pre-layoff services could consist of individual employment assessment, vocational counseling and guidance services, and development of vocational education courses appropriate to predominant employment choices, to be determined.

Your Committee concurs with the testimonies from the Director of Labor and Industrial Relations and Executive Director of the Commission on Manpower and Full Employment supporting the intent of this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1464, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 274 Employment Opportunities and Labor Relations on H.B. No. 1158

The purpose of this bill is to establish a State funded Hawaii Action Volunteers Program within the Department of Labor and Industrial Relations to coordinate and assign spirited volunteers to specific sponsoring organizations, with the goal of assisting the people of Hawaii.

Your Committee believes that a volunteer program, with its emphasis on sharing

and disseminating a variety of skills and technical expertise throughout the State, will be highly beneficial both to the participants and the communities which they serve. At the same time, the program will better enable many of Hawaii's most dedicated and talented individuals to remain in Hawaii and contribute to our islands, rather than being forced to seek meaningful employment opportunities elsewhere.

Your Committee concurs with testimony from the Director of Labor and Industrial Relations supporting the intent of this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1158, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 275 Employment Opportunities and Labor Relations on H.B. No. 839

The purpose of this bill is to provide a one time start-off appropriation of \$32,000 to Kamealoha Unlimited, a non-profit tax exempt corporation to offer a wheel chair repair service on the island of Hawaii with an all volunteer staff.

Presently, no wheel chair repair service is available on the island of Hawaii, and all wheel chairs must be sent to Honolulu to be repaired at considerable cost and inconvenience to the individuals requiring the use of a wheel chair. The monies appropriated will be used for parts supply, the cost and maintenance of a used van, shop and office equipment, and materials for a repair shop and an office which will be built with volunteer help in accordance with existing zoning and building codes and regulations of the County of Hawaii.

Your Committee concurs with testimonies from Mayor Herbert Matayoshi and many others including quadraplegics, administrators and individuals from the island of Hawaii supporting the intent of this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 839, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 276 Employment Opportunities and Labor Relations on H.B. No. 1522

The purpose of this act is to make all claims of attorneys and physicians for services under chapter 386 and claims for any other services rendered in respect of a claim for workers' compensation, whether in support or in opposition to such a claim, subject to review and approval by the director; and to make clear that only those claims which are approved and chargeable to claimants can be made subject to a lien on compensation.

Your Committee has held a public hearing on this bill and received testimony on it.

Under the present statute, only those claims of attorneys and physicians chargeable to claimants require approval by the director of labor and industrial relations in order to be valid. Claims of attorneys and physicians for services rendered in respect to a claim, chargeable to a party other than the claimant, are not subject to any review or approval procedure.

Your Committee finds that the lack of regulation of all fees, as described above, makes possible the payment of excessive claims, which adds to the escalating costs which plague the workers' compensation system. This bill is meant to address this problem.

Further, your committee finds that when all claims rendered in respect to a claim become subject to the approval of the director of labor and industrial relations, it must be made clear that only those claims chargeable to the claimant be held subject to a lien against compensation.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1522, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277 Tourism and Education on H.B. No. 662 (Majority)

The purpose of this bill is to establish a pilot project which would provide tours for eleventh and twelfth graders around the State to expose the students to their surroundings and to make them more aware of the geography, history, culture, geology, and government of Hawaii. This program requires an evaluative report and a six-month trial period. The bill appropriates \$75,000.00 to the department of education for this purpose.

Your Committees have heard testimonies recommending that the department of economic development become the expending agency and are in agreement that it should be the expending department rather than the department of education because of the limited funds of the department of education. The department of planning and economic development already delegates tourist-related activities through the office of tourism and H.B. 662 would appropriately be accommodated under this department. Your Committees have amended the bill by deleting "department of education" and substituting "department of planning and economic development" in section 1, line 1, and in section 3, line 9.

Your Committees have further amended this bill by adding "substitute teachers" to section 2, page 2, line 5. This amendment is intended to provide for the hiring of substitute teachers to teach and supervise those students who choose not to participate in the program tours.

Your Committees on Tourism and Education are in accord with the intent and purpose of H.B. No. 662, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 662, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Grauly and Yoshimura did not concur.)

SCRep. 278 Public Employment and Government Operations on H.B. No. 217

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 6 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 217 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279 Public Employment and Government Operations on H.B. No. 216

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 5 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement

is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 216 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 280 Public Employment and Government Operations on H.B. No. 215

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 4 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 215 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 281 Public Employment and Government Operations on H.B. No. 213

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 2 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 213 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 282 Public Employment and Government Operations on H.B. No. 214

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 3 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 214 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 283 Public Employment and Government Operations on H.B. No. 212

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 1 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 212 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 284 Public Employment and Government Operations on H.B. No. 1421

The purpose of this Act is to provide authorization to the various counties of this State to guarantee bank loans to bodies corporate and public instrumentalities created pursuant to State Laws to aid and further the activities of and purposes for which such bodies corporate and public instrumentalities were created.

According to testimony, the County of Hawaii wants to assist the Research Corporation of the University of Hawaii construct base facilities at the University of Hawaii at Hilo campus for several organizations that are operating telescopes on Mauna Kea. Your Committee concurs with the Department of Finance, for the County of Hawaii, that such assistance would benefit not only the University but also the community at large.

Your Committee is in agreement that County guarantee would strengthen the loan and result in better interest rates.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1421 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 285 Public Employment and Government Operations on H.B. No. 424 (Majority)

The purpose of this bill is to amend Chapter 77, Compensation Law, HRS, to require the Director of Personnel Services to create a series of classes of Secretary I, II, III and IV and Private Secretary I and II, and to allocate to the classes the positions now classed as secretaries and private secretaries. It further requires the director to assign the classes to the appropriate salary ranges in the compensation plan of the State based.

According to testimony, inequities within the secretarial classes, and between the secre-

tarial classes and School Administrative Services Assistant(SASA) classes, have existed since 1975, caused by the separation and reclassification of the SASA from the secretarial positions.

Under present law Chapter 76, Hawaii Revised Statutes, authorizes the development and maintenance of a position classification plan subject to appeal to the Civil Service Commission; and Chapter 77, Hawaii Revised Statutes, authorizes the assignment and reassignment of classes to salary ranges based on policies and standards adopted by the Public Employees Compensation Appeals Board, subject to appeal to the Board. Further, the Board is authorized to review the compensation plan on a biennial basis and a report on the compensation plan is submitted to the legislature for its review and approval each even-numbered year.

Classes of Secretary I, SR10; II, SR12; III, SR14; and IV, SR16; and Private Secretary I, SR18 and II, SR20; currently exist in the State's compensation plan. Positions are allocated to those classes based on nature and level of duties and responsibilities, subject to appeal to the Civil Service Commission. These classes are assigned to salary ranges based on an evaluation of the work, subject to appeal to the Public Employees Compensation Appeals Board.

According to testimony, the district superintendent of school has by far a substantially heavier and much larger scope of responsibilities than any of the school principals he or she supervises. The secretary serving the District Superintendent is classified as a Secretary IV and compensated at SR16, the same as a SASA IV. Secretaries serving the assistant superintendent are also classified and compensated as Secretary IV, SR-16.

Your Committee concurs with the DOE that it is unreasonable to assume that the closest non-professional aide to the number one administrator of a school district should be classified at the same or at a lesser level than the closest non-professional aide to one of several substantially lower level administrators, who are all his or her subordinates. This inequity should be corrected in keeping with the concept of equal pay for equal work.

Your Committee is in agreement with this bill which proposes; firstly, that the duties, responsibilities and complexity of functions of the secretarial classes are at a significantly higher level than those of the so-called comparable SASA classes; and secondly, that there be consistent and systematic regulations adopted by the Department of Personnel Services which define the standards and procedures for classification of positions within public employment.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 424 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Levin did not concur.)

SCRep. 286 Public Employment and Government Operations on H.B. No. 1443

The purpose of this bill is to amend the retirement benefits for those employees who became members of the system after June 30, 1983.

According to testimony, the Employees' Retirement System Board of Trustees formed a Committee to examine the statutes governing disability retirement for possible changes which might lead to alleviating the growing number of applications, particularly for service-connected disability retirement, and the increase in the appeals being filed from the adverse decision of the Medical Board.

The conclusion and recommendations of the Committee were unanimously adopted by the Board of Trustees and is incorporated in H.B. No. 1443. This bill will: reduce the benefit provided by Section 88-78, HRS, for service-connected total disability retirement for all gainful employment; amend the benefit provided by Section 88-80, for service-connected occupational disability retirement; amend the ordinary disability retirement provided under Section 88-76; and provide for the right of Trustees to review and terminate a member's disability retirement if the member is found to be fully recovered.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1443 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 287 Public Employment and Government Operations on H.B. No. 1141

The purpose of this bill is to reduce the bonding requirements for nonprofit research organizations performing educational research and evaluation.

Under present law any contractor with the State must provide a bond in an amount equal to fifty percent of the contract price.

According to testimony, it is very difficult, if not impossible for a non-profit organization to obtain a surety bond for educational research or related studies in Hawaii. Alternatively, borrowing fifty percent of the contract amount to deposit as a performance guaranty present an unnecessary direct cost to the State on the part of the contractor. Furthermore, since the law makes it difficult and expensive for small local non-profit contractors to obtain state contract, mainland organizations frequently are awarded contracts that would otherwise have been conducted by Hawaii-based research organizations.

Your Committee is in agreement that the present bonding statute, as applied to non-profit organizations, is unnecessary. No bond for an educational research contract with the State has ever been forfeited. It would certainly be in the public interest to modify the present bonding requirements.

Your Committee has amended this bill to completely exclude any bonding requirements for non-profit research organizations performing educational research and evaluation.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1141, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 288 Public Employment and Government Operations on H.B. No. 594
(Majority)

The purpose of this bill is to allow the Employees Retirement System to invest in second mortgage loans if the second mortgage is secured for the purpose of acquiring the leaseholder's fee simple interest in the improved real estate.

Under present law the Board of Trustees is allowed, as part of its investment program, to make real estate loans secured by first mortgages.

According to testimony, members who have a first mortgage loan with the Retirement System must then secure a second mortgage loan with a lending institution when it comes time to purchase their leasehold land. This often means loans at higher rates of interest.

Your Committee agrees that this measure will help in assisting members in the Retirement System in purchasing their leasehold land. Although it is not automatically granted, it provides an opportunity for members to be eligible for such loans.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 594 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Taniguchi did not concur.)

SCRep. 289 Public Employment and Government Operations on H.B. No. 696

The purpose of this bill is to amend Section 88-11, HRS, relating to the pensioner's bonus provisions of the Retirement System that effective July 1, 1983 and every subsequent July 1 thereafter, pensions would be increased by a cost-of-living bonus which is equal to fifty per cent of the average dollar amount increase granted to employees in active service as a result of collective bargaining agreements as authorized under Chapter 89.

According to testimony, neither the Department of Budget and Finance nor the Office of Collective Bargaining have data kept on the average dollar amount increase provided for collective bargaining agreements in past years. As a result, the Employees' Retirement System is unable to determine what the cost to the employer will be with the enactment of this bill.

Your Committee concurs with the Coalition of Hawaii State-Counties Retirees Association that there is a need for adequate regular automatic post retirement adjustments to enable retirees to cope more satisfactorily with consumer costs which keep escalating. The automatic adjustment in this bill would eliminate the need of the retirees coming to the legislature each and every year for bonus increases.

Your Committee is in agreement to the amendment that the total pension be increased to ten per cent of the average dollar amount increase granted to employees in active service. This percentage increase would offset to a reasonable extent continuing increases in consumer costs.

Your Committee has also amended this bill so that the retiree's or pensioner's total pension increase take effect five years after the retiree's or pensioner's effective date of retirement. This amendment has been included to comply with past practice of granting cost-of-living allowance to retiree's or pensioner's after a certain number of years of retirement.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 696, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 290 Public Employment and Government Operations on H.B. No. 220

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 9 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 220 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 291 Public Employment and Government Operations on H.B. No. 648

The purpose of this bill is to reduce the period for payment without interest, for late-paid obligations of the State and the counties.

Under present law Section 103-10, HRS, states that a person is entitled to interest on State payments that have been due over sixty days. House Bill No. 648 would reduce the sixty-day period to thirty days.

According to testimony, the problem in making interest payments on the basis of over-thirty days is the investigation workload that would be required. The over-all vendor payment process involves paperwork processing in the individual State agencies and in DAGS' central accounting, thus costing the State an unreasonable amount of manpower to monitor the shorter thirty day period.

Your Committee has amended this bill so that the vendor shall be paid no later than forty-five days following receipt of the proper statement. This amendment will comply with the federal government prompt payment policy and also improve vendor payment process.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 648, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 292 Public Employment and Government Operations on H.B. No. 775

The purpose of this bill is to allow husband and wife employees to enroll separately in a Self Only and a Family Plan and for the public employer's monthly contribution to be pro-rated between husband and wife for such enrollments.

Under present law Chapter 87-4(a) permits husband and wife to be enrolled in either two Self Only Medical Plans or one Family Medical Plan. Total public employer contributions for two Self Only Medical Plans and for one Family Medical Plan shall not exceed \$31.96 and \$49.14 respectfully.

According to testimony, public employers would not be required to contribute, in total, any more monies for a husband and wife carrying a Self Only Medical Plan and a Family Medical Plan than they already pay under the present law. However, when both spouses are independently employed, the employer-beneficiaries health benefits should be extended to both on an individual basis. They should each have the option to select self-only, family or a combination of the two.

Your Committee is in agreement to amend this bill to give married public employees the opportunity to independently select different medical plans and to receive the appropriate monthly, contribution from their respective public employers. This amendment will eliminate marital status as a deciding factor and also service specific individual health needs.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 775, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 293 Public Employment and Government Operations on H.B. No. 791

The purpose of this bill is to amend Section 76-16(9), Hawaii Revised Statutes, to provide a second law clerk for each of the three judges of the intermediate appellate court and a law clerk for the administrative judge of the district court of the first circuit.

A law clerk for each judge of the intermediate appellate court will increase the number of cases decided by each judge and increase the number of cases which this court can dispose of; one law clerk to serve the administrative judge of the district court of the first circuit will provide a basic research capability for the busiest of the district courts.

According to testimony, the intermediate appellate court has been disposing of cases at a very expeditious rate. This rate of judicial production cannot be increased appreciably without additional staff.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 791 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 294 Public Employment and Government Operations on H.B. No. 844
(Majority)

The purpose of this bill is to add a new section under Chapter 109 of the Hawaii Revised

Statutes to enable the Stadium Authority to dispose of unclaimed lost and found articles by auction after 45 days.

Under present law, articles lost at the stadium are kept for 21 days at the Stadium Security Office or until such time that they are claimed by the rightful owners within this time frame. If the articles go unclaimed after 21 days, however, they are turned over to the Honolulu Police Department where the articles are kept for another 90 days. When these articles are further unclaimed at the Honolulu Police Department, they are returned to the stadium where by law they are stored for a cumulative total of seven years after which time they are considered abandoned property under the State statutes.

Your Committee is in agreement that seven years is much too long a time for holding articles.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 844 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Wong did not concur.)

SCRep. 295 Public Employment and Government Operations on H.B. No. 991

The purpose of the Act is to extend the effective date of the amendment to paragraph (1) of Section 88-74, Hawaii Revised Statutes, effected by Act 165, Session Laws of Hawaii 1982, from July 1, 1982 to January 1, 1983.

According to testimony, adoption of Act 165 in 1982 incorporated many technical and substantive amendments to the Employees' Retirement System statutes. Although the legislative changes were circulated, the change to Section 88-74 was not recognized. Therefore, the Employees' Retirement System continued the practice of granting early retirement benefits without penalty if the member had served the last five years of the 25 years of service in such capacities.

Three individuals retired during the period July 1, 1982 to December 31, 1982 whose benefits were calculated erroneously pursuant to the adoption of Act 165. To comply with Act 165 at this time would result in substantially reduced benefits to these three individuals.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 991 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 296 Public Employment and Government Operations on H.B. No. 218

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 7 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 218 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 297 Public Employment and Government Operations on H.B. No. 219

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 8 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 219 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 298 Public Employment and Government Operations on H.B. No. 221

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 10 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 221 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299 Public Employment and Government Operations on H.B. No. 222

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 11 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 222 and recommends that it pass Second Reading and

be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 300 Judiciary on H.B. No. 999

The purpose of this bill is to provide the Chief of Police of each county the power and authority to assess and collect necessary fees from persons making applications to acquire firearms.

Your Committee has heard testimony from the Honolulu Police Department and organizations which advocate the control of firearms and organizations which advocate the freedom to own and possess firearms.

Your Committee heard testimony from the Police Department that indicated they wished to use any fee collected to cover the cost of making positive identification checks in criminal history with the FBI.

Your Committee believes that it is in the interest of the state to make positive identification checks and compare them with criminal history records in Hawaii and with the FBI in Washington, D.C. The identification check is necessary in the event that an applicant for a firearm permit has a criminal record in another state.

In 1982, the FBI initiated a new procedure to assess \$12.00 for providing a fingerprint comparison check with the FBI national criminal history files. A fee is now necessary to cover this cost.

Your Committee has amended the bill by deleting the language referring to the chief of police of each county and instead has required each county to assess and collect the necessary fees. Your Committee is also limiting the purpose of the fees to only making positive identification checks in criminal history with the FBI.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 301 Consumer Protection and Commerce and Water, Land Use, Development
and Hawaiian Affairs on H.B. No. 1018

The purpose of this bill is to permit the establishment of international banking facilities in Hawaii.

Supporting testimony was provided by the Bank of Hawaii, a private citizen, and the Department of Planning and Economic Development. It was pointed out that international banking facilities would promote foreign investment, especially from Asia; promote Hawaii as a financial center; and yet not pose a threat to domestic financial institutions.

Your Committee believes that the passage of this bill will be beneficial to Hawaii's financial industry and has amended the bill to also apply to savings and loan associations, when not in conflict with federal laws. Nonsubstantive amendments have also been made for style and clarity.

Your Committees on Consumer Protection and Commerce and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1018, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 1018, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kawakami, Takamine and Dang.

SCRep. 302 Consumer Protection and Commerce on H.B. No. 1066

The purpose of this bill is to permit county liquor commissions to engage in educational activities.

This bill is an administration bill submitted by the City and County of Honolulu.

However, no representative of the City and County submitted testimony. Written testimony was submitted by the Retail Liquor Dealers Association of Hawaii and oral testimony by G. A. Morris who was a member of the committee from whose study this bill resulted.

Your Committee fails to understand why language was added which reiterates that the commission may investigate and enforce matters since it is already granted police powers. Your Committee has deleted this redundant language.

Additional technical amendments have been made for clarity and to correct for language deleted in bill drafting.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1066, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 303 Education on H.B. No. 722

The purpose of this bill is to require the superintendent of education to report annually to the Governor, the legislature, and to the general public on:

- (1) The students in public schools who, based on the state-wide testing program, are scoring in the lowest three stanines in basic skills, and
- (2) the actions being taken by the department to improve these students' achievement levels.

Your Committee believes that an annual appraisal of students scoring in the lowest three stanines will be an attempt to consistently identify and monitor the progress of students through a systematic approach. Although statewide testing scores are currently reported to the general public via the media and directly to the Board of Education and made available to the Governor and to the Legislature, your Committee feels that further comparison or analysis of these test scores with a discussion of the systematic approaches used to meet the remedial needs of students scoring in the lowest three stanines will provide opportunity for greater understanding of the low achievement problem.

Your Committee has received testimony from several organizations and finds that in any normal distribution of standardized achievement test scores, twenty-three per cent of youngsters constitute those scoring in the lowest three stanines. However, in Hawaii, thirty-five per cent of the Hawaiian students themselves score within the lowest three stanines. This situation is indicative of the need for improving the basic skills of these students. Basic skills serve as the foundation of education and emphasis on each student's adequate acquisition thereof is the public mandate on the Department of Education.

For a more accurate measure of progress made in remediation activities, and for the purposes of clarifying the mode and time of reporting, your Committee has amended the bill by specifying in line six through sixteen on page two of the bill that the annual report include the number and percentage of students scoring in each of the lowest three stanines and that such breakdown include statewide, districtwide, and individual school totals, and the number and percentage of students according to ethnic group and grade levels. The amendment also specifies that the report be submitted to the Legislature twenty days prior to the convening of each Regular Session, and be made available to the general public.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 722, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 304 Education on H.B. No. 1244

The purpose of this bill is to appropriate general funds to continue the Career Opportunities Program for fiscal year 1983-1984.

Your Committee finds that the Career Opportunities Program has proved to be a viable

alternative to the regular curriculum offerings of the Department of Education and recommends continued funding for the program; provided, that, before any portion of the appropriation is expended, the Department of Education shall negotiate a contract with the University of Hawaii's Employment Training Office to ensure that expenditures from this appropriation are made on a per-student basis; provided, further, that the Department of Education shall submit a report, twenty (20) days prior to the convening of the 1984 Regular Session of the Legislature, on the contract negotiated with the University of Hawaii for the Career Opportunity Program and on student participation in the Program. The pilot test basis under which the Career Opportunities Program has been available initially in the Honolulu District only should now be expanded to all of Oahu. Funds have been provided in this bill to enable the DOE to contract for additional slots for students from all Oahu districts. It is the expectation of your Committee that maximum use will be made of these slots and any administrative problems in expanding the program will be resolved as quickly as possible.

The DOE is in full support of this bill; it has now ranked the Career Opportunities Program in first place in its list of requests for supplemental expansion. The Hawaii State Teachers Association has also supported this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1244 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305 Education on H.B. No. 625

The purpose of this bill is to improve the provision and safety of student transportation services by purchasing two 20-seat vans for the Ka'u School Complex.

Your Committee concurs with testimony which states that the additional vehicles are needed to ensure the safe transport of students in that district. Ka'u High School must presently rely on three school buses to transport all of its students. If one of these buses is out of service, students must sit five to a seat on the remaining two buses.

The two additional vehicles will offer increased flexibility for transporting students during field trips and will permit students to participate in after-school recreational activities. At the present time this is difficult because there is no public transit and the existing three buses leave school grounds five minutes after class is over.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 625 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Leong.

SCRep. 306 Education on H.B. No. 612

The purpose of this bill is to provide funds for student activity programs and the conversion of 38 part-time student activities coordinators to full-time coordinator positions by making an appropriation for the sum of \$300,000 for fiscal year 1983-1984 and the sum of \$365,200 for fiscal year 1984-1985.

Your Committee has heard testimony from many groups, including students, in support of this bill. Your Committee concurs with the testimony that the conversion to a full-time coordinator position would benefit the students, teachers, and communities.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 612 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 307 Education on H.B. No. 181

The purpose of this bill is to provide for the acquisition of computer equipment for student use and for other student program needs related to computer education by making an appropriation for fiscal year 1983-84.

Your Committee has heard testimony in support of the effort to make computer education available to all students and has amended Section 1 of the bill by inserting the sum of \$915,699 for fiscal year 1983-84 and \$627,727 for fiscal year 1984-85 for the funding of an exploratory computer awareness interim program in the Department of Education.

The exploratory computer awareness interim program will be targeted at the 11,000 to 12,000 seniors of each graduating class in the next biennium who are most in need of immediate exposure to computers. The program will provide special hands-on instruction over a two-week period for these seniors through the use of mobile computer centers set up at the schools for the duration of the instruction.

Depending on its size, each school district will have from ten to seventeen microcomputers in each center with instruction to be provided by a district resource teacher and the regular classroom teachers. Schools will have the flexibility to determine appropriate integration and coordination of the computer programs with their regular classroom instruction. While the focus of the program will be on the students, teachers as well as parents will also receive training or exposure to microcomputers as appropriate during the time computer centers are located in the various schools.

Your Committee finds that the establishment of this interim program will meet the immediate needs for computer literacy among students who will be leaving the public school system and improve computer education in general for all students in the public schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 181, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 308 Education on H.B. No. 824

The purpose of this bill is to provide a tax credit to each resident corporate taxpayer against the corporate income tax liability for the taxable year. The tax credit may be claimed for each computer or computer program given to any Hawaii public school (grades K to 12) if qualifying provisions are met with respect to donation of the computer or the computer program.

Your Committee finds that providing tax credits will help facilitate the availability of computers or computer programs to Hawaii's public schools and is a desirable incentive for taxpayers who wish to assist the schools in computer training.

Your Committee has amended Section 1, page 1 of the bill in lines 4 through 7 to generally provide that each individual as well as corporate taxpayer may claim a tax credit against the taxpayer's Hawaii state income tax liability. Your Committee has further amended Section 1, page 2 of the bill by inserting a new item in line 3:

"(1) The original use of the computer or computer program is by the donee."

For the purposes of consistency your Committee has also amended Section 1, page 2 of the bill in lines 3 through 10 by renumbering items (1), (2), and (3) to items (2), (3), and (4) respectively.

Your Committee has added a new Section 3 to provide that the Act shall be in effect for three taxable years beginning after December 31, 1982 and shall lapse on December 31, 1985. For the purposes of consistency, Section 3 of the bill has been renumbered as Section 4.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 824, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 824, H.D. 1.

Signed by all members of the Committee except Representatives Albano and Nakasato.

SCRep. 309 Employment Opportunities and Labor Relations on H.B. No. 1025

The purpose of this bill is to secure opportunity, independence, and greater dignity for displaced homemakers. The Department of Labor and Industrial Relations would

establish job training and other programs as the director deems necessary.

Your Committee finds that homemakers constitute an unrecognized and uncompensated work force making an invaluable contribution to the welfare and socio-economic security of the State, but whose members enjoy no direct or indirect benefits of traditionally recognized employment. The disruption of home through spousal death, divorce, or other discontinuance of income, results in the existence of individuals who are largely without source of income, and who lack reasonable likelihood of financially secure futures.

Displaced homemakers entering the job market often face discrimination on the basis of age, and generally lack recent employment experience valued by potential employers. In addition, benefits indirectly enjoyed previously, such as prepaid health plan coverage, are no longer available to the displaced homemaker. The combined effects of such radical, sudden, and generally unforeseen events are personally devastating, and require provision of opportunity for resoluion of individual and group problems to ensure displaced homemakers maximum personal dignity and economic potential.

Your Committee is in agreement with the director, Department of Labor and Industrial Relations, who through experience gained from a pilot program with a \$77,500 appropriation from the legislature, expressed the continued need for a displaced homemakers program. The bill is also strongly supported by the American Association of University Women, Volunteer Information and Referral Service, and the Hawaii Council of Churches.

Your Committee held a hearing on H.B. No. 1025 and H.B. No. 1155, entitled RELATING TO DISPLACED HOMEMAKERS, and received testimony on both bills. The Committee consolidated the two bills, incorporating the language of H.B. No. 1155 into H.B. No. 1025 in its entirety. The salient provisions of H.B. No. 1025, H.D. 1, as amended herein, are as follows:

- (1) Skill development and training centers, hereafter referred to as "centers", for displaced homemakers are to be established in each county by the director of labor and industrial relations, who shall appoint an executive administrator, exempt from chapter 76 and chapter 77, for each center and have the power to employ additional staff. These centers will provide services to enable displaced homemakers to become employable and self-sufficient.
- (2) The centers shall provide job training programs for displaced homemakers.
- (3) The centers shall assist displaced homemakers in finding permanent employment.
- (4) The centers shall provide and coordinate various other services, including: Educational counseling and programs; economic security counseling; health care services and counseling; legal counseling services; child care services; and other appropriate services.
- (5) Funding for the program shall be in part from fees collected for participation in the program or for receipt of services, in part from fees collected for this purpose at the time of divorce filings, and in part out of public funds appropriated for this purpose.
- (6) The director of labor shall adopt appropriate rules pursuant to chapter 91 within six months of the effective date of the Act.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1025, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 310 Employment Opportunities and Labor Relations on H.B. No. 755

The purpose of this bill is to establish a transition from education to work system composed of Transition Centers in schools which will provide employment and human service counseling services to aid in making the transition from school to the world of work. Existing models of such centers, Quick Kokua and the Career Resource Centers programs, have proven successful and should be established as State programs. The Department of Labor and Industrial Relations would operate these centers as part

of a system of employment training and career planning functions.

Your Committee finds that many students and graduates are having difficulty preparing themselves for the world of work. Such preparation should include programs for career information, career counseling, and training in employment skills. Upon graduation from high school, many individuals without the benefits of career planning and development, experience difficulty in identifying and achieving personal and career goals. They are impeded in their efforts to compete for gainful employment, achieve and maintain a level of personal and vocational effectiveness, or are unsure of how to proceed when choosing or being forced to make a career change. Unless assisted in a special way, certain students and graduates may continue to lack trust in their environment, have poor self-esteem, lack personal and career goals, and experience difficulty in the realization of their full potential.

Your Committee has amended Section 2, page 7, line 1, of the bill by inserting the phrase after the word "of", "but not limited to", and by adding the new sentence on line 3, page 7 as follows: "All transition centers shall be established and maintained based on equitable consideration of the State's urban, rural, and neighbor island needs".

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent of H.B. No. 755, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 755, H.D. 1, and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 311 Employment Opportunities and Labor Relations on H.B. No. 809

The purpose of this bill is to statutorily establish the Hawaii State Occupational Information Coordinating Committee (HSOICC) and its components the Hawaii State Occupational Information System (HOIS) and the Hawaii Career Information Delivery System (HCIDS) by adding a new chapter to the Hawaii Revised Statutes. Additionally, the Department of Labor and Industrial Relations is authorized to establish new positions for the purposes of HCIDS.

HSOICC and its national counterpart the National Occupational Information Coordinating Committee (NOICC) have been established by federal legislation to facilitate the standardized development and delivery of career and occupational information to those making personal career decisions and those planning educational and training programs, to provide for a uniform and standardized occupational information system to implement this purpose; and to establish a career information delivery system to provide relevant information to schools, training sites, and job service offices.

HOIS functions to implement the standardized development and delivery of career and occupational information to those planning educational and training programs.

HCIDS, colloquially known as Career Kokua, establishes a career information delivery system. It is basically a computerized library of occupational and educational information that functions to aid people in their choice of locally relevant occupational, educational, training, and job information. The availability of such information will help individuals make a smoother transition from school to work or, a return to the labor force. Career Kokua is administratively part of the Research and Statistics Office of the Department of Labor and Industrial Relations.

Your Committee has amended Part I, Section 1 of the bill to clarify the nature of membership on the HSOICC by deleting the period after the word "agencies" in line 21, page 3, and by adding the following phrase: "but shall not exceed twenty-five members with one member per agency". The bill was further amended by deleting "P.L. 95-524" on line 19, page 4 and inserting "P.L. 97-300" in its place to comply with the new Federal Job Training and Partnership Act.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 809, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 312 Ocean and Marine Resources and Agriculture on H.B. No. 1341

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to support an aquaculture and live-stock feeds production program.

Your Committees find that the cost of feed and the additional costs associated with shipping bulk ingredients or compounded feeds from the mainland United States to Hawaii significantly affect the profitability of commercial aquaculture in our State.

Your Committees further find that research into cost-competitive feeds or ingredients is essential for developing the aquaculture and livestock industry, and that the Oceanic Institute has developed the staff and infrastructure to perform this research.

Your Committees further find that the 1982 Legislature responded to this feed situation by passing H.B. No. 2947-82, H.D. 2, S.D. 1, C.D. 1, which was signed into law by Governor Ariyoshi as Act 223. Act 223 appropriated \$300,000 to the Department of Land and Natural Resources for a one-year aquacultural feeds development program; the Department of Land and Natural Resources worked with the Oceanic Institute to develop an appropriate research proposal and contracted with the Oceanic Institute on October 16, 1982 for the work. Research efforts have concentrated on establishing stocks, constructing facilities and beginning experiments in Spirulina algae-cow manure culture. Large, 20-foot diameter outside tank growth experiments are beginning, and work is proceeding in a satisfactory manner. Once the Spirulina research has demonstrated consistent, large-tank production using a seawater/freshwater, manure-based medium then the efforts will turn to brine shrimp (Artemia) production using a similar approach.

Your Committees, upon consideration, have therefore amended this bill providing an appropriation of \$138,900 for fiscal year 1983-1984. Because the project details were not available at the time of hearing, your Committees request that the Finance Committee review this appropriation critically and make the necessary adjustment accordingly.

Your Committees on Ocean and Marine Resources and Agriculture are in accord with the intent and purpose of H.B. No. 1341, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1341, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Say and Dang.

SCRep. 313 Ocean and Marine Resources on H.B. No. 56

The purpose of this bill is to support the State's fishing industry by appropriating funds to study the feasibility of commercial production of mullet and milkfish for baitfish purposes, and to assess methods to reduce mortality on fishing boats as they are being carried to fishing sites.

The success of the Hawaiian aku (skipjack) fishery depends directly on the availability of baitfish to harvest these tuna. The primary method of harvest involves chumming with live baitfish to attract the tuna to the vessel prepared to catch them with pole and line. Baitfish shortages have been directly reflected in the landings of the aku fleet.

The shortage of baitfish supply has, in the past, limited the growth of the aku fishery which has been producing in recent years an approximate average of 7,000,000 pounds aku annually. The present concern is not a matter of expanding the aku fishery, but maintaining past harvest levels with a supply of baitfish that is no longer as abundant as in the past.

Testimony presented by the Department of Land and Natural Resources expressed concerns that the present shortage of baitfish is partly attributed to a "red water" condition in Pearl Harbor, the State's main baitfish-producing ground. Approximately 40 to 60 per cent of baitfish (mainly nehu) were harvested there previously. At present, Pearl Harbor contributes only 25 per cent of the State's baitfish, and mostly the less desirable gold-spot sardine. The cause of the "red water" phenomenon is not known and there is no reason to anticipate that the present "red water" condition in Pearl Harbor will improve. The Department also expressed concerns, in view of the present situation, that the aku fishing fleet will be confronted with a very lean year for nehu bait.

Your Committee finds that continued support of the Hawaii aku fishery is essential

if the commercial fishing industry is to grow and prosper.

Your Committee has amended this bill to provide an appropriation of \$20,000 for fiscal year 1983-1984 to determine whether or not the natural habitat of the nehu can be enhanced.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 56, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 56, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Say, Takamine and Dang.

SCRep. 314 Ocean and Marine Resources on H.B. No. 151

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$20,000, or so much thereof as may be necessary for fiscal year 1983-1984, for the design and construction of three floating fish pens to be tested in a fresh water pond near Hilo and in a salt water location in Molokai and Kaneohe Bay.

Productive use of ocean resources is a mounting concern of modern society. The pressures of an increasing world population and over-exploitation of the earth's resources have encouraged an intensive search for new food production technologies. The oceans, lakes and fresh water ponds are emerging as a new frontier through the medium of aquaculture.

Floating fish pens, cages, and other enclosures have been used successfully throughout the world to cultivate many kinds of salt and fresh water species. Such enclosures intensify and improve aquaculture productivity by alleviating some of the problems associated with product containment, maintenance and harvesting.

A low-cost, low-energy-expending floating fish pen has been designed for intended use in Hawaiian fishponds, livestock reservoirs, and eventually, sheltered marine locations. These fish pens are expected to increase production significantly and have positive commercial implications for the aquaculture industry in Hawaii. Your Committee supports research and development in this area and believes an initial study would provide useful reference data on the design, fabrication, and operation of floating fish pens for future projects.

Your Committee has heard testimony on the potential use of the fish pen design and feasibility of the Hilo pond site for the initial demonstration study. Your Committee agrees that due to the suitability of location, water conditions and availability of fish stock supply, implementation of a fish pen study at the Hilo pond site is both feasible and appropriate at this time. However, because the Molokai and Kaneohe Bay study sites have not been sufficiently analyzed, and due to the lack of guidelines by which to proceed with these studies, your Committee feels that appropriations for these projects would be premature.

Your Committee has therefore amended Section 1 of this bill to delete funds for the design and construction of floating fish pens for Molokai and Kaneohe Bay. This leaves an appropriation of \$8,000, for fiscal year 1983-1984, for the design and construction of a floating fish pen to be tested in a fresh water pond near Hilo.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 151, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 315 Ocean and Marine Resources on H.B. No. 152

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii an unspecified appropriation to fund the expansion of the shrimp breeding program at the Oceanic Institute.

Testimony presented by the Department of Land and Natural Resources has stated, "Marine shrimp have been identified as a development priority by the State Aquaculture Development Plan." At present there are no species of marine shrimp indigenous to

Hawaii with potential for an industry. Because Hawaii does not have indigenous stocks of species suitable for culture, candidate species will have to be imported. Routine production has not been achieved on a commercial scale anywhere in the world to date, but the achievement of controlled production of Penaeid shrimp is one of the highest priority research areas in aquaculture today.

Testimony was heard from Mr. Robert Schleser of the Oceanic Institute, a private, non-profit institution, involved in shrimp farm development and other aquaculture programs designed to provide information to the general public.

Your Committee finds that Oceanic Institute has, over the years, been able to attract federal and other sources of non-state funds to add to the core State program.

Your Committee has amended this bill by providing an appropriation of \$50,000 for Fiscal Year 1983-1984 for purposes related to marine shrimp breeding program.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 152, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Say, Takamine and Dang.

SCRep. 316 Ocean and Marine Resources on H.B. No. 179

The purpose of this bill is to require fish traps to be constructed with a means of escape which will allow fish or other aquatic life to escape a trap which has not been emptied after a reasonable length of time.

Because of the importance of traps in contemporary fishing practice, the need to reduce the incidence of trap losses has been widely recognized by both fishermen and fisheries managers. This need has become more critical with the expansion of the Northwest Hawaiian Islands fisheries where shrimp and lobster trapping are major operations. Extreme conditions prevalent in these fishing grounds, heavy wave action, volcanic pinnacles and deep waters, will continue to cause problems of trap losses.

Testimony presented by the Department of Land and Natural Resources expressed concerns that the proposed prohibition of the use of any type of trap which is not constructed or fitted with at least one opening or devise allowing fish or other aquatic life means of escape, may cause unintended hardship for many of the trap fishermen during a time of economic difficulty. Certain fishers may be financially unable at the time this provision would take effect to modify all of their traps immediately.

Your Committee has also heard testimony from other sources, including Mr. Doak Cox of the University Environmental Center, and Mr. Frank Farm, Jr., President of the Hawaii Council of Diving Clubs. All testimony received strongly supported or expressed general accord with the intent and purposes of this bill.

Your Committee has duly noted and considered the various recommendations and concerns expressed at the public hearing held on February 17, 1983. Your Committee, upon consideration, has amended the bill as follows:

1. Page 3, line 6, to read "(b) The department of land and natural resources shall, pursuant to chapter 91, promulgate rules relating to requirements for escape opening(s) or devise(s) on any type of traps. The rules shall include provisions describing the type, measurements, and locations of escape opening(s) or devise(s) on traps under this subsection."

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 179, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 317 Ocean and Marine Resources on H.B. No. 55

The purpose of this bill is to support the development of fisheries resources by providing

additional funds for the small fishing vessel loan program (PED 102).

The further development of Hawaii's large potential in the area of fisheries resources will contribute substantially to the State's economy in terms of revenue as well as in increased employment opportunities for Hawaii residents.

The Hawaii Small Fishing Vessel Loan Program serves as a source of funds for local small vessel fishermen who qualify for financial aid. The purpose of this program is to insure the continued orderly development of Hawaii's commercial fishing fleet by providing financial assistance for commercial vessels under five net tons. With the assistance of this program, local small vessel fishermen are able to borrow the funds they need to purchase, construct, renovate, maintain, and repair their small fishing vessels.

Your Committee finds that continued support of the Hawaii Small Fishing Vessel Loan Program is essential if the commercial fishing industry is to grow and prosper in Hawaii.

Your Committee has heard testimony that, although an appropriation of \$100,000 was allotted to the loan program in 1982, as of December 31, 1982, only \$59,070 was available for loans. Also, there is one loan, currently in process, worth \$40,000 which would use up virtually all of the funds available. Due to this lack of funds, several applications have had to be turned down.

Your Committee, upon consideration, has therefore amended this bill by providing an appropriation of \$200,000 for fiscal year 1983-1984.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 55, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 55, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Say and Dang.

SCRep. 318 Consumer Protection and Commerce on H.B. No. 1206

The purpose of this bill is to amend the general excise and use tax laws to define the sales of fuel oil to a producer of electric energy and sales of liquid petroleum gas to a producer of utility gas energy as wholesale sales and tax such sales at the rate of .5% instead of 4%.

The Director of Taxation opposed the bill as contrary to excise and use tax principles which tax the last transaction at 4%. Hawaiian Electric and Gasco, Inc. supported the bill and testified that the savings would be passed on to their customers.

Your Committee recognizes that fuel oil and liquid petroleum gas are converted to energy by the utilities prior to sales to customers. Therefore, such sales are similar to wholesale sales. The consumer has been subject to spiraling increases in their electric and gas bills over the past decade. Your Committee believes that this bill will offer some relief. Technical amendments have been made to correct typographical errors and, because this is a tax measure, the effective date has been amended to July 1, 1983.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1206, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 319 Education on H.B. No. 932

The purpose of this bill is to provide for the continuation of the Hawaii educational dissemination diffusion system program and the Hawaii identification, validation, and dissemination process program by making an appropriation for fiscal year 1983-84.

Your Committee concurs with testimony received from the Department of Education and other education personnel in support of the continuation of the programs and has amended Section 1 of the bill by inserting the sum of \$90,229 for fiscal year 1983-84 and \$168,161 for fiscal year 1984-85.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 932, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 320 Education on H.B. No. 624

The purpose of this bill is to improve student transportation services in the Ka'u School Complex by providing funds for the operation of an after-school bus.

Your Committee concurs with testimony which states that an additional bus is needed to ensure the safe transport of students in that district. Ka'u High School must presently rely on three school buses to transport all of its students. If one of these buses is out of service, students must sit five to a seat on the remaining two buses.

The additional bus will also permit students to participate in after-school recreational activities. At the present time this is difficult because there is no public transit and the existing three buses leave school grounds five minutes after class is over.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 624, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 321 Higher Education and the Arts on H.B. No. 1329

The purpose of this bill is to amend Section 304-8.1, subsection (a), of the Hawaii Revised Statutes, by increasing the annual maximum amount of deposit in the University of Hawaii research and training revolving fund from \$1,000,000 to \$2,000,000.

The Research and Training Revolving Fund, established by the Legislature, has primarily served as an investment whereby monies have been used to seed or start new research projects which have led to fully funded extramural grants or contracts, with a return of more than \$17 in extramural funding for every dollar of seed money invested through the fund.

This fund is comprised of indirect overhead sources on account of all university held federal and other research and training contracts and grants. Overhead constitutes approximately 40% of the direct cost of the grant and at present, reverts directly to the General Fund.

Any portion of the overhead which can be returned to the university will improve research capabilities and save from direct costs on the grants, particularly in the purchasing and maintaining of equipment or supplies that were not anticipated when the original grant was budgeted and funded. Overhead can also fund ancillary services to research such as clerical help, dishwashing, animal care, and disposal of hazardous wastes, all which cannot be fully supported by General Funds.

Your Committee believes that the present statutory limitation of the annual maximum amount of deposit has proven to be insufficient, and increasing this limit to \$2,000,000 would assure the continuance of an international reputation for the excellence of research programs at the University of Hawaii.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1329 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dang.

SCRep. 322 Higher Education and the Arts on H.B. No. 1333

The purposes of this bill are:

- (1) Subsidize the cost of attendance of any qualifying Hawaii resident student enrolled in a program at a public institution of higher education in a foreign country;

- (2) Repeal nonresident tuition waivers by reciprocity; and
- (3) Repeal the Board of Regents' authority to enter into any agreement, with government and universities of other states or countries to provide for reciprocal nonresident tuition waivers.

Your Committee finds that under the present reciprocity agreement, there are many more students coming to the University of Hawaii than there are Hawaii residents going to the various participating universities. For this reason the committee supported the repeal of the nonresident tuition waivers by reciprocity.

This bill has been amended by reinstating the proposed deleted clause which gives the Board of Regents authority to enter into reciprocity agreements with governments and university officials of any other state or foreign countries.

This bill has been further amended by deleting Section 1 in its entirety and by renumbering the remaining sections for consistency. Your Committee felt that the concept of subsidizing Hawaii resident students who are enrolled at public institutions of higher learning in foreign countries was an issue that should be addressed separately from tuition waivers.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1333, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 323 Higher Education and the Arts on H.B. No. 1285

The purpose of this bill is to permit a statue to be permanently displayed at the Kauai State Office Building.

In discussion your Committee was apprised that in 1969, the State Foundation on Culture and the Arts did commission a sculpture for this building as part of its plan to provide permanently installed works of art for highly visible and accessible state buildings. However, it became apparent that the sculpture when placed did not integrate successfully with the architectural and landscape environment, and was relocated to the Kauai Intake Service Center in 1979.

This bill would enable the SFCA to commission a second permanent work of art for the Kauai State Office Building. The original sculpture could not be routinely replaced because CIP monies for this building had lapsed. An Attorney General's opinion limits the commissioning of permanently installed works of art to buildings with active Capital Improvements Program (CIP) construction appropriations.

Your Committee agrees that a permanent work of art is required for the Kauai State Office Building in Kauai's civic center. We have amended this bill by substituting the word "sculpture" for "statue" in line 1 of Section 1 and the phrase "sculpture which may be commissioned" for "statue which has been commissioned" in line 2 of Section 2.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1285, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 324 Higher Education and the Arts on H.B. No. 1565

The purpose of this bill is to amend Section 8-5 of the Hawaii Revised Statutes by reducing the number of mandatory organizations from which commissioners shall be selected to the King Kamehameha Celebration Commission. The bill recommends that four organizations be deleted from the commission: Hui Opio, Nanakuli Homesteaders' Association, Native Sons and Daughters of Hawaii, and Papakolea Community Association.

Your Committee was informed by testimony of the Department of Accounting and General Services that these four organizations have not submitted representatives to serve on

the commission for the past several years. The commission is comprised of twenty-two members: one member from each of sixteen organizations, one member from Kauai, Maui, Molokai, Oahu, Hawaii, and one at-large member. Four consistent vacancies make it difficult for the commission to have a quorum at its meetings to conduct and implement its mandatory functions and meet statutory requirements for program implementation. The commission is mandated to coordinate all State-sponsored and other celebration events staged during the period designated by the commission to commemorate the memory of King Kamehameha I.

Your Committee is satisfied that DAGS has made the proper effort to inform the four organizations of their impending removal from the list of authorized commissioners and it was made clear to them that such removal would not limit or restrict future participation in commission-planned activities centered around the celebration.

Your Committee also notes other proposed changes to clarify the existing Act and which do not affect its intent or purpose.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1565 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 325 Higher Education and the Arts on H.B. No. 960

The purpose of this bill is to establish a revolving fund for the University of Hawaii Libraries, which will result in an increased availability of replacement materials and library and media services.

Your Committee feels it may be appropriate for the University library system to be able to draw upon revenues derived from its own levied fines and fees for the replacement of lost, damaged, or mutilated materials. Materials lost due to theft and heavy usage must also be replaced. Funding for current purchases is barely adequate, so the libraries have experienced increasing difficulty with setting aside book funds to purchase replacement materials. During the past year, \$20,000 in missing titles could not be replaced due to lack of funds.

In addition to the direct costs for replacements, the libraries incur administrative costs in sending overdue notices, processing orders, and recataloging materials. These costs are directly related to the volume of late returns, lost books, and damaged materials. It is these associated fines and fees which this bill proposes be returned to the University library system for its vital support and continuance.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 960 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 326 Water, Land Use, Development and Hawaiian Affairs and Agriculture on H.B. No. 393

The purpose of this bill, as received by your Committees, is to establish an independent agricultural land study commission to advise the Legislature in the development of an agricultural land classification system for identifying important agricultural lands pursuant to Article XI, section 3 of the Hawaii Constitution.

Your Committees share the concern evidenced by the State Constitution that important agricultural lands, which may be broadly interpreted as those lands which are most productive and suitable for agriculture, be protected from growing urbanization pressures. Such lands are critical to the long-term viability of agriculture as a major export industry and as a means to increase Hawaii's self-sufficiency in agricultural products. These concerns are also reflected in the goals, objectives, policies, and priority directions of The Hawaii State Plan.

In accordance with these concerns, your Committees believe that economically viable agricultural uses should be the primary intended use of important agricultural lands. Existing statutes and regulatory processes need to be amended to protect these lands

from being subdivided for uses which are primarily residential in nature rather than agricultural. Your Committees have therefore amended this bill to accomplish this purpose.

Following an in-depth examination of the foregoing, your Committees have amended this bill in the following principal respects:

- (1) The membership of the Commission has been expanded from eleven to sixteen. The additional members are the planning directors of each of the four counties and a representative from an organization representing agricultural workers. A representative from the U.S. Soil Conservation Service has been substituted with a representative from the Hawaii Association of Conservation Districts. Your Committees intend that the Commission invite the U.S. Soil Conservation Service and other pertinent agencies and interested persons to participate at its meetings and hearings.
- (2) The purpose of the Commission has been clarified to provide that it shall develop and recommend an agricultural land classification system for legislative adoption.
- (3) The specifications for the Commission's 1984 report relating to alternative and recommended definitions of "important agricultural lands" have been deleted.
- (4) In recommending a classification system or process, the bill now requires the Commission to consider recommended goals for agricultural production, state agricultural and land use policies, and appropriate attributes of the Land Study Bureau's Detailed Land Classification system, the Agricultural Lands of Importance to the State of Hawaii system, the Land Evaluation and Site Assessment system, or other existing agricultural land classification systems or processes.
- (5) The Commission should now be required to submit proposed legislation needed to adopt the recommended classification system or process.
- (6) Section 6 of the original bill relating to criteria for the 1984 report has been deleted.
- (7) The bill has been amended to clarify that the Commission's 1985 report should include a set of maps and other appropriate documents identifying the important agricultural lands in the State.
- (8) The bill has been amended to provide for the dissolution of the Commission upon adjournment of the Regular Session of 1985.
- (9) A new Section 3 has been inserted to require that any subdivision of land within the agricultural district which is classified A or B by the Land Study Bureau's Detailed Land Classification system must provide for lots that constitute economically feasible agricultural production units.
- (10) A new Section 4 has been inserted to require any county agency acting on a petition relating to the zoning, subdivision, or permitted use of lands within the agricultural districts to notify the Department of Agriculture prior to acting on the petition.
- (11) A new Section 5 has been inserted to prohibit hotels, airports, golf courses, commercial amusement parks, deep draft harbors, and residential subdivisions from being allowed in an agricultural district under a special permit.
- (12) On page 12, lines 6 and 7 of the bill, the Department of Agriculture and the Department of Planning and Economic Development have been added as agencies which must be notified regarding a county hearing on a special permit.
- (13) On page 12, beginning with line 13 of the bill, criteria have been provided to be applied in the consideration of a special permit by the county planning commissions and the Land Use Commission.
- (14) A new Section 6 has been inserted to provide the standard of "substantial injustice or inequity" or "overriding public interest" which must be met by a proposed reclassification or rezoning of agricultural lands with soils classified as A or B by the Land Study Bureau's Detailed Land Classification system.

- (15) A new Section 7 has been inserted to repeal the interim land use guidance policies, which have expired. A conforming repeal of statutory material has been provided in a new Section 8.
- (16) A new Section 9 has been inserted to require the Land Use Commission and appropriate county agencies to conform their rules, regulations, practices, and procedures to the bill within one year of the bill's effective date. In a new Section 10, land use district boundaries and county zoning and subdivision ordinances and maps must conform to the bill within two years of the bill's effective date.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture are in accord with the intent and purpose of H.B. No. 393, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 393, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Matsuura and Dang.

SCRep. 327 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 690

The purpose of this bill is to require the Office of Hawaiian Affairs (OHA) budget requests to be submitted to the Governor.

Your Committee finds that the bill would require the OHA budget to be submitted to the Governor and in addition, require the Governor to include that budget in the financial plan that he submits to the Legislature.

Your Committee is of the opinion that these requirements would serve a salutary purpose in that a more accurate financial picture of the State finances could be made known. Under the present law, OHA's budget is submitted to the Legislature without affording the Governor an opportunity to consider their request when his financial plan is developed. The bill does not, however, permit the Governor to change OHA's budget request.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 690, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 690, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dang.

SCRep. 328 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1319 (Majority)

The purpose of this bill is to revitalize the unique and valuable resource of traditional Hawaiian culture which has been fragmented during the last two centuries, due in part to the disruption of the traditional Hawaiian community structure and its traditional land and sea-based subsistence activities.

The bill would help to re-establish traditional Hawaiian communities and traditional customs which are rapidly being lost, as elder Hawaiians who have first-hand knowledge of these traditions age and pass away.

The bill would require the Department of Land and Natural Resources and Office of Hawaiian Affairs to work together in designating cultural live-in parks as well as development of park plans. The Office of Hawaiian Affairs will be responsible for the subsequent development and management of live-in cultural parks.

The bill specifically requires that no State or county funds will be required to achieve its objectives.

Testimony from the Department of Land and Natural Resources expressed concern over the setting aside of areas in State parks which would restrict other recreational uses. There was also concern expressed about the "Native Hawaiian", spouse and siblings being of varying blood quantum. However, your Committee feels that these concerns can be resolved when the Rules and Regulations are promulgated with the Office of Hawaiian Affairs.

The Department of Land and Natural Resources in further testimony concluded that a study was in order to determine those lands which could be suited for live-in cultural parks for "Native Hawaiian" and have had communications with the Office of Hawaiian Affairs and Department of Hawaiian Home Lands.

Testimony by the Office of Hawaiian Affairs stated that this bill is clearly in concert and consonance with its policy with respect to the cultural welfare of its beneficiaries and that it supports encouragement of prudent plans to encourage the preservation of traditional native Hawaiian culture.

Your Committee, therefore, has amended the bill to include the Office of Hawaiian Affairs with the Department of Land and Natural Resources in the designation of park sites and in the development of park plans. The bill further gives the Office of Hawaiian Affairs the responsibility for development and management of live-in cultural parks.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1319, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami and Takamine.
(Representatives Crozier and Hashimoto did not concur.)

SCRep. 329 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1207

The purpose of this bill is to amend Section 10-3, Hawaii Revised Statutes, in order to make it conform to said section to the Hawaii State Constitution and to make an appropriation for the State's effort to identify ceded lands and study the disposition of the income from the use of ceded lands.

Your Committee finds that the law entitles the Office of Hawaiian Affairs (OHA) to a pro rata portion of moneys derived from the public land trust fund. Section 10-3 specifies that the proceeds and income derived from lands conveyed by Sections 5(b) and 5(e) of the Admissions Act are to be placed in the public land trust fund. However, those lands conveyed by Public Law 88-233, which are also a part of the public land trust, are not included in existing law.

The State Constitution requires that lands conveyed to the State by the Admissions Act shall be held by the State as a public trust and that a pro rata portion of the income and proceeds from the trust shall be managed and administered by OHA. By including lands conveyed by Public Law 88-233, this bill will make Chapter 10, Hawaii Revised Statutes, conform to the State Constitution.

Section 2 of the bill appropriates \$200,000 to enable the Legislative Auditor to complete the inventory of lands in the public land trust, to study the legal and fiscal issues relating to the use of such lands, and to study the use and distribution of revenues derived therefrom. This study was mandated by the Legislature in 1982.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1207, H.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 Dang.

SCRep. 330 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1430
(Majority)

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds for industrial operations, including a floating drydock.

According to testimony, a drydock repair facility in the State of Hawaii would offer economic opportunities in the forms of increased job opportunities for Hawaii's residents and of an expanded tax base. The facility would be able to service larger vessels, including naval ships, without being in conflict with established ship repair businesses in Hawaii. Major competition for the proposed facility would come from those facilities based on the U.S. mainland.

Your Committee finds that the State of Hawaii has already completed feasibility studies

on establishing a private sector floating drydock repair facility. Subsequent to a Senate Resolution in the Eleventh Legislature, calling for a feasibility study by the Department of Planning and Economic Development, the said Department contracted consultants in 1982 to conduct the study. In 1982 the Legislature appropriated additional funds for a more comprehensive study. The Department issued a Request for Proposals and has thus far received ten responses, and is presently negotiating the contract with the selected consultant.

Your Committee is in agreement with the intent of the bill, but recommends certain amendments. First, it is recommended that the phrase "industrial operations, including a" be deleted from line 7 of the bill, in order that a specific project be designated for only a floating drydock repair facility. Second, your Committee is of the opinion that the specified uses of bond moneys should include purchase of tools, equipment, and stock required in construction and maintenance of the facility and its operations. Third, no private sector organization is specified. It is therefore recommended that the project be carried out by the Ship Corporation of Hawaii, Ltd. These recommendations have therefore been inserted into Section 2 of the bill.

Finally, the language of the bill, relating to the acquisition, renovation, and construction of the facility, is grammatically unclear. Your Committee has revised the language without amending the intent and purpose of the bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1430, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dang.
(Representative Crozier did not concur.)

SCRep. 331 Judiciary on H.B. No. 162

The purpose of this bill is to grant immunity from civil liability to members of State boards and commissions who serve without compensation.

Your Committee has received testimony from the Department of the Attorney General that if the bill seeks to protect members of boards and commissions from civil liability, it must be substantially amended.

Accordingly, your Committee has amended the bill as follows:

- (1) The bill defines "members" as any person who is appointed or elected, as provided by law, to serve on a temporary or permanent State board, council, authority, committee or commission established by law, who serves without compensation.
- (2) The bill grants immunity in any civil action where the action was not committed in bad faith, with a malicious purpose, or in a wilful or wanton manner.
- (3) The bill indemnifies members from liability by paying any judgment or settlement in a civil action arising under federal law, the law of another state, or the law of a foreign jurisdiction.
- (4) The bill will not indemnify members for the portion of a judgment that represents punitive or exemplary damages, or any portion of a settlement deemed unreasonable by the legislature.
- (5) The bill authorizes the attorney general to represent and defend members who are granted immunity or who are indemnified under the Act.
- (6) The bill allows members to retain their own counsel at the member's own expense.
- (7) The bill allows members to whom representation by the attorney general was denied, the right to introduce a bill in the legislature to secure an appropriation to reimburse the member for the amount of the settlement.
- (8) The bill provides for any moneys the State is required to pay a member to come from an appropriation made by the legislature at its next session. If the member has been denied representation by the attorney general, the member may submit a bill to the legislature. All other bills for payment under this section will be initiated by the attorney general.

(9) The bill provides immunity for members from alleged federal civil rights violations by providing members State indemnification for judgments against them.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 162, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Hayes and Honda.

SCRep. 332 Public Employment and Government Operations on H.B. No. 532

The purpose of this bill is to provide civil service status to plant quarantine inspectors who are in the predeparture inspection program of the department of agriculture.

Your Committee finds that employees covered by this bill have provided services to the division and department in a creditable manner. Unfortunately, inspectors hired after May, 1978 did not have the benefit of civil service status.

This bill will eliminate this disparity and give all inspectors in the program regular civil service status and afford them the degree of security enjoyed by other employees in the department. It will also provide opportunity for intra-departmental transfer, create high morale in the department and add continuity to the program.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 532 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 333 Public Employment and Government Operations on H.B. No. 990

The purpose of this bill is to allow up to five years of service credit in the retirement system to members who were employed with the state or county prior to entering military service.

Under present law if a member of the Employees' Retirement System leaves his or her regular position or employment for the purpose of entering the military service, he or she is treated as if continuously in the active service of the State or county so long as the member remains in military service. Such member is given retirement service credit for the period the member remains in military service, and, further, during such period the State or county employer is required to pay all contributions payable to the Employees' Retirement System by the State, county, or member with respect to such member.

According to testimony, if a member is ordered to active duty for an indefinite period, a qualifying service member would be entitled to the benefits under Section 88-132 for such an indefinite period, and for the entire period, the member would accumulate retirement service credit and burden the State or county with the 100% cost of employer and member contributions.

Your Committee is in agreement to amend Section 88-132 to limit the availability of the benefits thereunder to no more than five years.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 990 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 334 Public Employment and Government Operations on H.B. No. 1567
(Majority)

The purpose of this Act is to create a new noncontributory benefit plan for certain members of the Employees' Retirement System.

Under present law public employees contribute 6% plus 1.8% as a post-retirement

contribution to the system. This contribution results in a low ratio of take-home pay to gross salary. In addition, public employees contribute almost 7% of their pay to the Social Security System. The combined Employees' Retirement System and Social Security benefits are costly for employers and employees and projected to increase in the future.

According to testimony the new noncontributory plan will cover: any new ERS member who enters or reenters service after June 30, 1983 and who is also covered under Social Security; and any present member of ERS in active service on June 30, 1983 who is also covered under Social Security and who elects to join the new plan and receive a refund of all accumulated contributions made to ERS.

The major objectives of this bill are to eliminate employee contributions as well as set the retirement age for eligibility at sixty-two with ten years of service. Furthermore, the post-retirement benefit will be computed by a formula which provides that for each percentage change in the Consumer Price Index the post-retirement benefit will be adjusted one-half percent up to a maximum of 4% per year not compounded.

According to testimony, this bill would increase the take-home pay of public employees by 7.8%. In addition the typical career public employee will be provided with combined ERS and Social Security retirement benefits that approximate 100% of net pre-retirement income.

Your Committee is in agreement to amend this bill so that a member who has 30 years of credited service shall also become eligible to receive a normal retirement allowance. This additional alternative for eligibility will allow public employees to retire before the age of sixty-two and receive a normal retirement allowance without penalty.

Your Committee has also amended this bill to give public employees a twelve month period commencing upon the effective date of the plan to elect to join the new noncontributory plan or to remain covered by the present plan. The twelve month period will allow adequate time to make a decision which will affect the member's retirement benefits.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1567, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tungpalan.
(Representative Taniguchi did not concur.)

SCRep. 335 Public Employment and Government Operations on H.B. No. 530

The purpose of this bill is to grant civil service status to five employees occupying positions in the department of agriculture, which positions were authorized by Act 218, Session Laws of Hawaii 1973, part III, section 8, for agricultural planning and marketing purposes.

Presently, all employees of the department of agriculture, except those in the milk control division, the planning and development office, and pre-departure inspection program are covered by civil service and enjoy the assurance of tenure and benefits of regular status. The State has consistently awarded civil service status to exempt employees when a new division through time performs as an integral part of a department.

Your Committee is in agreement that the employees of the planning and development office perform such integral and ongoing functions for the department of agriculture, as formulation and implementation of the state agricultural plan, planning for agricultural park projects, and reviewing applications relating to the use of agricultural lands. Program tenure dependent on the effective achievement of scheduled objectives, appears well assured from the executive and legislative viewpoints as evidenced by the governor's proposed budget for FY 1981-1983 and the apparent endorsement of the legislature in recent sessions.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 530 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 336 Public Employment and Government Operations on H.B. No. 531

The purpose of this bill is to provide civil service coverage to certain employees in the Milk Control Division of the Department of Agriculture.

According to testimony, the Division of Milk Control has been in existence since 1967 and the State has consistently awarded civil service status to exempt employees when a new division through time performs as an integral part of a department. Civil service coverage imposes controls over the classification of positions and the employment, conduct, movement, and separation of public officers and employees.

Your Committee is in agreement that employees covered by this bill have provided services to the division and department for many years in a creditable manner. The purpose of this bill is to afford them the degree of security enjoyed by other employees in the department. Civil service status would also ensure a more stable workforce and add continuity to the program. This bill does not provide for civil service coverage of the Milk Commissioner or the Assistant Milk Commissioner.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 531 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 337 Public Employment and Government Operations on H.B. No. 224

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 13 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the Fiscal Biennium 1983-85.

According to testimony, fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), HRS, to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Under present law Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the governor's next operating budget within 10 days after the date on which the agreement is ratified. Since an agreement with the bargaining unit is not expected in time to include the cost items in the 1983-85 biennium budget, a separate measure is proposed for submittal to the legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 224 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 338 Public Employment and Government Operations on H.B. No. 265

The purpose of this bill is to allow chief executives of the State and counties to appoint civil service employees to positions as directors and deputy directors of executive departments with guaranteed return rights.

According to testimony, provisions now exist which allow civil service employees to serve elsewhere as loan to another government, to the State Legislature, or to perform union service.

Your Committee is in agreement with this bill to give chief executives a broader pool of qualified persons from whom to select since it guarantees civil service return rights. It allows chief executives to utilize specialized talent from the service in positions where it can be most effective for the public good.

Your Committee has amended this bill to include as exempt appointment to positions of secretary to a department head and secretary to a deputy department head. The secretaries of department heads and deputy department heads work very closely with their respective bosses and therefore should be appointed to their positions without loss of rights and benefits pertaining to the classified service, particularly return rights to their former or comparable position.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 265, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 339 Public Employment and Government Operations on H.B. No. 1347

The purpose of this bill is to have the public employers and employees to pay their share of the monthly medical plan on a 50-50 basis.

According to testimony, legislation has been continuously enacted in order that payments for the medical plan be shared on a 50-50 basis. This bill would increase the employers monthly contribution for FY 1983-84 to \$3.80 for a Self Only Enrollment Medical Plan and \$11.66 for a Family Enrollment Medical Plan.

The appropriations from the general fund needed to fund this bill would be \$2,110,000 for FY 1983-84 and \$2,174,000 for FY 1984-85.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1347 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 340 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1208
(Majority)

The purpose of this bill is to add new sections to Chapter 46, Hawaii Revised Statutes, concerning provisions common to all counties, in order to provide a means by which an individual may be assured at a specific point in time, after he has met all existing requirements in developing a property, that his rights to develop the property in a certain manner are vested.

According to testimony, there are numerous risks in any development project which escalate with every new regulatory or administrative action in the development approval process required by the government. In the face of uncertainty and unpredictability, landowners and developers meet a stringent set of circumstances entailing considerable expenditures of time, effort, and money.

Your Committee is in agreement with the intent of the bill, but it is of the opinion that the purpose of the bill could be accomplished in a much more simple manner, by codifying the recent decision of the Hawaii State Supreme Court on the subject of vested rights in the land development business. Your Committee has therefore amended the bill by substituting for the detailed procedures in the bill a more simple statement as to what and when vested rights are attained. The sections, beginning page 3, line 8, and ending page 8, line 8, have been deleted and substituted by new ones.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1208, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hee, Takamine and Dang.
(Representatives Kiyabu-Saballa, Nakata, Okamura and Isbell did not concur.)

SCRep. 341 Agriculture on H.B. No. 210

The purposes of this bill are:

- (1) To clarify labeling requirements for sale of eggs by a producer;
- (2) To allow the Department of Agriculture to set, by rule, the specific requirements for enforcing labeling and marking of imported eggs;

- (3) To further allow the Department to impose administrative penalties on violators; and
- (4) To raise the level of fines.

Your committee has received testimony in support of this bill from the Chairman of the Board of Agriculture.

Your Committee has amended this bill as follows:

- (1) On page 2, line 15, the word "need" should be changed to "needs". On page 4, line 23, underscore "not".
- (2) On page 5, line 3, the phrase "of agriculture" should be inserted following the word "department".

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 210, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 342 Agriculture on H.R. No. 50

The purpose of this resolution is to encourage the Department of Land and Natural Resources to negotiate long-term leases for large parcels of private land being taken out of pineapple or sugar production which can then be sub-leased in smaller parcels to farmers of low and moderate income for diversified agricultural enterprises.

Your Committee finds that due to the high developmental costs of agricultural parks, an additional source of land suitable for long-term agricultural use at reasonable prices is required.

Your Committee also finds that in addition to long-term leases, the State could obtain additional land for diversified agriculture by either purchase or land exchange with private landowners including land taken out of pineapple and sugar production.

Your Committee has therefore amended the title of H.R. No. 50, the second "WHEREAS" paragraph, and the "BE IT RESOLVED" paragraph to reflect these findings.

Your Committee on Agriculture 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. 343 Agriculture on H.C.R. No. 23

The purpose of this concurrent resolution is to encourage the Department of Land and Natural Resources to negotiate long-term leases for large parcels of private land being taken out of pineapple or sugar production which can then be sub-leased in smaller parcels to farmers of low and moderate income for diversified agricultural enterprises.

Your Committee finds that due to the high developmental costs of agricultural parks, an additional source of land suitable for long-term agricultural use at reasonable prices is required.

Your Committee also finds that in addition to long-term leases, the State could obtain additional land for diversified agriculture by either purchase or land exchange with private landowners including land taken out of pineapple and sugar production.

Your Committee has therefore amended the title of H.C.R. No. 23, the second "WHEREAS" paragraph, and the "BE IT RESOLVED" paragraph to reflect these findings.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 23, H.D. 1.

Signed by all members of the Committee.

SCRep. 344 Transportation and Judiciary on H.B. No. 890

The purpose of this bill is to protect children four years of age or under while riding in motor vehicles on Hawaii's highways by requiring that they properly use federally approved child passenger restraint systems. In its original form, the bill provides for exceptions and exemptions to be established by the State Department of Transportation. It also provides penalties for first convictions of up to \$25 and for subsequent convictions of between \$25 and \$100.

Your Committees find that child passenger restraint is essential in order to reduce the incidence of child injury and child mortality on Hawaii's roads. However, your Committees have amended the bill in several important respects in response to testimony received.

Your Committees heard testimony relating to the potentially prohibitive costs of obtaining child passenger restraints, and indicating that seat belts are a next best alternative for protection of children after the age of two. Your Committees have therefore amended the bill to require that persons transporting children under two must provide the child with a federally approved child passenger restraint system but that those transporting children who are two or older but less than four shall have the option to provide a seat belt or shoulder harness instead of a child passenger restraint.

Your Committees received testimony from the State Department of Transportation that, in order to accelerate implementation of the law, exemptions should be provided by statute. In response to this testimony, your Committees have provided for the following exemptions recommended by the DOT and the Honolulu Police Department: Emergency, commercial, for hire and mass transit vehicles and Type I school buses (school buses that have seating for sixteen or more passengers). Your Committees have determined that the DOT should have authority to provide for further exceptions and exemptions by rule.

Your Committees heard testimony from the DOT recommending an exemption when all seat belts in a motor vehicle are being used and any unrestrained child is riding in the back seat. However, your Committees were concerned that this exemption could be circumvented by removal of all rear seat belts. Therefore, they have rephrased the exemption to provide that the law shall not apply when "the number of persons in the vehicle exceeds the greater of the following: (1) The number of seat belts or shoulder harnesses available in the vehicle; or (2) The number of seat belts or shoulder harnesses originally installed in the vehicle," and those children not restrained are in the back seat.

Your Committees added a provision prohibiting the use of evidence of the nonuse of a child passenger restraint to prove comparative negligence in recognition of Hawaii's adoption of a comparative negligence system. Your Committees also amended this provision to make it clear that neither failure of a child under four to use nor failure to ensure that a child under four use a child passenger restraint or other restraint may be used to diminish the child's recovery in a tort action.

Your Committees heard testimony from the DOT and the Honolulu Police Department suggesting that the penalties for violation of the child passenger restraint law be in line with violations of the Statewide Traffic Code, Chapter 291C, HRS. Therefore, your Committees amended H.B. No. 890 to provide that violation of the child passenger restraint law will subject the violators to the penalties provided in §291C-161(b).

Finally, your Committees added a new section to the bill providing that the provisions thereof are severable.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 890, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 890, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 345 Housing on H.B. No. 319

The purpose of this bill is to correct an error in a bill which passed during the 1982 legislative session and became Act 284.

Act 284, allows the counties to issue bonds to provide funds to carry out mortgage loan programs. The Legislature intended to allow counties to establish their own loan program qualifications if they issue general obligation bonds, but to require compliance with the State's Hula Mae program qualifications if they issue revenue bonds. Since Hula Mae bonds are revenue, not general obligation bonds, the intent was to conform the counties' program qualifications to the state's if the counties issue revenue bonds. However, because of a transposition of chapter numbers, the Act imposes restrictions on the use of general obligation bond proceeds, rather than on revenue bond proceeds as had been intended. This bill amends the transposition error.

Your Committee has amended the bill to correct a typographical error on page 5, line 10 by changing the word "convenants" to "covenants".

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 319, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 346 Finance on H.B. No. 882

The purpose of this bill is to conform the state income tax law to amendments made to the federal Internal Revenue Code by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the Subchapter S Revision Act of 1982 as well as a number of miscellaneous public laws affecting the Code.

This bill is an administration proposal submitted annually in compliance with section 235-2.3(o), Hawaii Revised Statutes, requiring the department of taxation to submit a measure to update the Hawaii law to conform to changes made to the federal Internal Revenue Code thereby simplifying taxpayer compliance and easing administrative execution of the law. This bill addresses that mandate by adopting those pertinent amendments enacted by the United States Congress in 1982. Some of the highlights of the adoption made are as follows.

Section 235-2.3, Hawaii Revised Statutes, is amended to provide for the taxation of the early withdrawal of investment amounts from deferred annuity contracts. It further provides for the deduction of casualty and theft losses only to the extent that the total loss, after the \$100 deduction, exceeds ten per cent of the taxpayers adjusted gross income. It also reduces the accelerated cost recovery available for property subject to safeharbor leasing by restricting the qualified base property to forty-five per cent of the cost of the lessee, reducing the maximum lease term, and limiting the amount by which the lessor may reduce its tax liability.

This bill also amends section 235-63, Hawaii Revised Statutes, to conform to Code provisions to require employers to provide withholding statements to employees terminated before the end of the calendar year, within thirty days after a written request has been received from the employee, if such thirty-day period ends before January 31 of any given year; effective after December 31, 1983.

This bill also specifies that for the administration of section 241-4(b)(9), Hawaii Revised Statutes (with respect to life insurance company reserves), section 805(c), federal Internal Revenue Code, as amended by TEFRA, shall be operative for the taxable years beginning after December 31, 1981 and before January 1, 1984.

Your Committee notes that the adoption of the amendments made by TEFRA and other congressional acts to the Internal Revenue Code should produce an increase in state income tax revenues as the amendments to the federal law are generally viewed as revenue "enhancement" measures.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 882, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 347 Finance on H.B. No. 80 (Majority)

The purpose of this bill is to repeal the Hawaii inheritance and estate taxes law and impose an estate tax equal to the federal estate tax credit allowed by the Internal Revenue Code.

Presently, Chapter 236, Hawaii Revised Statutes, imposes taxes on property which is passed by a decedent to beneficiaries. The amount of the inheritance tax is dependent upon the relationship of the decedent to the beneficiary. There is also assessed an estate tax which is measured by the amount of the federal credit allowed for state death taxes less the amount of the State's inheritance tax.

This bill eliminates the distinctions based on relationship to the decedent and imposes a unified tax which is equal to the full amount of the state death tax credit allowed under the federal estate and gift tax law. In effect, this bill conforms our system of estate taxation with the federal approach.

Although the department of taxation estimates that this bill would result in a revenue loss of approximately \$500,000 per year, your Committee believes that this loss is justified considering the administrative and accounting problem which would be eliminated, both for the taxpayer and for the department of taxation, by enactment of this bill. Since the amount of the State tax will be equal to the federal credit allowed, the taxpayer need compute the amount of the estate subject to taxation only once for both federal and state tax purposes. Further, the department of taxation will be relieved of the administrative problems associated with determining and verifying relationships of beneficiaries to decedents and computing the amount of taxes due.

Another benefit of adopting the federal approach is that the marital unit is treated as one for estate tax purposes. Under present law, property in excess of \$300,000 is taxed as it passes to a surviving spouse, and is taxed again as it passes out of the marital unit to surviving children and other beneficiaries. With enactment of this bill, estate property would be taxed only once as it passes out of the marital unit down to succeeding generations.

A number of amendments have been made for clarification purposes and to more closely track the provisions of the Internal Revenue Code. Also, the provision governing the accrual of interest on unpaid taxes has been amended to provide for parity with the interest accruing on refunds for overpayment of taxes. Other minor technical amendments were made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representative Levin did not concur.)

SCRep. 348 Finance on H.B. No. 236

The purpose of this bill is to clarify and correct inconsistencies in sections 213 and 225, Hawaiian Homes Commission Act, relating to funds for deposit of money earned through investments.

Under present law section 213(b) states interest money earned through investment from the borrowed money fund and the Hawaiian home loan fund cannot be deposited in the Hawaiian loan interest fund. Also, section 225(a) is contradictory in that interest, with the exception of interest earned in the Hawaiian homes administration account and the native Hawaiian rehabilitation fund account, is required to be deposited in the Hawaiian home interest fund.

Your Committee is in agreement with the intent of H.B. No. 236 which allows moneys from the borrowed money fund to be deposited in the Hawaiian loan interest fund and moneys from the Hawaiian home loan fund to be deposited into the Hawaiian home operating fund. The bill further clarifies the funds for deposit of interest money earned through investments and changes the title of the Hawaiian loan interest fund to the "Hawaiian home interest fund".

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 236 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 349 Agriculture and State General Planning on H.B. No. 44

The purposes of this bill are to amend Sections 141-1 and 171-118, Hawaii Revised

Statutes, to provide for recognition of agricultural planning and development among the general duties of the Department of Agriculture, and to clarify the Department's role in the development and management of agricultural parks.

Your Committees have received testimony from the Hawaii Farm Bureau Federation and the Chairman of the Board of Agriculture in favor of this bill.

Your Committees find that the development and management of agricultural parks is the sole responsibility of the Department of Land and Natural Resources. Testimony presented by both the Chairman of the Board of Agriculture and the Hawaii Farm Bureau Federation supports this finding.

Your Committees have therefore amended this bill by deleting Section 3 in its entirety as well as portions of Section 1 to reflect the revised purpose of this measure.

Your Committees have also made other technical, non-substantive amendments.

Your Committees on Agriculture and State General Planning are in accord with the intent and purpose of H.B. No. 44, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 44, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 350 State General Planning on H.B. No. 177

The purpose of this bill is to clarify the role of state functional plans under the Hawaii State Planning Act by expressly stating that the plans are to be used as guidelines by state agencies in the conduct of their respective programs, processes, and activities.

The state administration has proposed this bill to clarify two areas of ambiguity. The first area of ambiguity concerns the relationship between the plans and the programs of state agencies. Under the present law, counties are required to consider the plans only as "guidelines" while the programs of state agencies must be "in conformance" with the plans. The equity has been questioned of requiring state agencies to meet a much higher standard with regard to the plans than that required of the counties. Second, the present language of the law spurs speculation that the plans may have the force and effect of law despite adoption by concurrent resolution.

The administration has also proposed to clarify two other areas of concern in the Hawaii State Planning Act by correcting two omissions. First, the bill, as received, adds language to specifically require all regulatory and administrative decision-making processes of state agencies to be in conformance with the overall theme, goals, objectives, policies, and priority directions of the Plan. Present law identifies the state budgetary and land use decision-making processes and, by omission, implies that other state decision-making processes are not subject to the Plan. Second, the bill, as received, requires all state agencies which make decisions concerning land use to be in conformance with the overall theme, goals, objectives, policies, and priority directions of the Plan. Present law names only the Board of Land and Natural Resources and Land Use Commission, but other agencies also exercise jurisdiction over the use of land.

The net effect of the administration's bill is to have the state functional plans utilized as guidelines by all state agencies in their decision-making processes.

Your Committee agrees with the administration that the present language in the Hawaii State Planning Act regarding the utilization of state functional plans requires clarification. The administration proposes to make the clarification by explicitly stating that the state functional plans are to be utilized as guidelines by state agencies for implementation of state programs. The administration's proposed language to achieve this purpose is the same language in the current law specifying the relationship between the counties and the plans.

Your Committee, however, does not agree with the administration's proposal of requiring state agencies to use the functional plans merely as "guidelines". The administration's proposed language would require state agencies to consider the functional plans in the same manner and same light as presently required of counties. For this reason, your Committee disagrees with the language in the bill, as received.

Since the Hawaii State Planning Act frames the overall theme, goals, objectives,

policies, and priority directions which have been duly enacted into law by the state legislative and executive branches, state agencies should give greater weight to the functional plans than the weight required to be given by the counties. Thus, your Committee has made amendments to the bill, as received, to reflect this intention. Basically, the term "guidelines" in the bill, as received, when used to describe the relationship of the state functional plans to state agencies, has been replaced with the phrase "statements of policy to guide in decision-making". While the change may appear to some as only a difference in semantics with no actual practical difference, your Committee feels that the new phrase connotes a standard which requires greater thought and reflection on the part of state agencies when determining whether their state programs complement the functional plans than the "guideline" standard presently applicable to the counties.

In your Committee's view, "guideline" connotes a stated course of action which, although the most desirable, may or may not be followed. It contains only the element of action and not the element of a goal. Thus, a guideline may be deviated from for whatever reasons without penalty or sanction. On the other hand, "policy" means accepted procedures toward a goal. Unlike "guideline", a "policy" contains the elements of action and goal. A policy, however, does not prescribe rigid, inflexible actions. Instead, it prescribes a range of actions, any of which are allowed to be taken to attain the goal.

Since the present language in the law stating that counties are to use the functional plans as guidelines has been retained, the effect of your Committee's proposed language is to require state agencies to place greater emphasis on the functional plans than required of the counties. Your Committee has established the dichotomy of relationships deliberately. Your Committee has retained the concept that state agencies must meet a higher standard than do the counties. The functional plans, when adopted, will be statements of policy formulated by state agencies of the executive branch and adopted by affirmative action of the state legislature. To require direct subordinate agencies to use such documents merely as guidelines would ill-serve the exhaustive joint efforts of the state executive and legislative branches in formulation of the plans. Thus, your Committee has rejected the administration's concern that equity requires state agencies and county agencies to meet the same standards with regard to the functional plans.

Discussion turns now to the question of whether the functional plans have the force and effect of law. Your Committee finds specious the speculation that the functional plans have the force and effect of law. The Attorney General has written a letter, dated March 31, 1982, to the Director of Planning and Economic Development indicating that the functional plans do not have the force and effect of law. Your Committee concurs with the expression of the Attorney General, and has proposed no change to alter the present effects of the functional plans.

Your Committee reiterates that no one is bound, legally or otherwise, with the statements in the functional plans, but it is felt that, with regard to state agencies, the directions set forth in the functional plans be used as policy to guide in their decision-making. This is consistent with the Attorney General's sentiments that the functional plans are not mandates nor do they have the force and effect of law. In addition, your Committee also concurs with the Attorney General that the county general and development plans adopted by county ordinances cannot be required to conform to state functional plans adopted by concurrent resolution.

Your Committee has also accepted the administration's proposed language in the bill, as received, to ensure that all regulatory and administrative decision-making processes and activities of state agencies are recognized in the law.

In addition to the amendments stated above, the purpose section has been changed to conform to the new language proposed by your Committee and nonsubstantive amendments have been made to correct technical errors.

Your Committee on State General Planning is in accord with the intent and purpose of H.B. No. 177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 177, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 351 Judiciary on H.B. No. 15

The purpose of this bill is to allow the Family Court the discretion to require parents and guardians of juvenile offenders to pay restitution to victims of juvenile crime.

The Committee believes that giving the Family Court discretion to require restitution from parents and guardians may have the positive effect of making parents and guardians more accountable for the behavior of their children. Further, the Committee feels the parents will be made more aware of their responsibilities to their children and the community.

The Family Court has recommended in its testimony that Section 561-31.4(b)(1) page 1, line 7 to 9, be deleted and a new subsection (10) be added for clarity to read as follows:

"(10) The court officer may additionally develop a restitution plan providing for monetary payment by the parents of the child."

In addition, the Family Court has recommended that the amendment made to 571-48(11) page 9, line 4 and 5, be deleted and be left in its original form and that an addition be made and identified as 571-48(13) as follows:

"(13) The court may order the parents of an adjudicated minor to make restitution of money or services to any victim who suffers loss as a result of the child's action."

Your Committee has adopted the Family Court recommendations and has amended the bill accordingly. The Committee has also made technical nonsubstantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 15, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 15, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 352 Human Services and Judiciary on H.B. No. 34

The purpose of this bill is to permit the department of social services and housing to disclose information contained in its records concerning applicants and recipients, when an investigation, prosecution, or criminal proceeding is being conducted in connection with the licensure or operation of an adult boarding home or adult day care center.

Your Committees have received testimony which compels it to believe that Section 1 of the bill, page 3, lines 5-10 should be deleted. The bill as introduced intended to authorize the disclosure of information to recover payments from third persons, but, there are statutes to recover payments in these situations and your Committees do not consider it necessary to include this provision.

Your Committees do not concur with the provision set forth in Section 1 of the bill, page 5, lines 20-23, and page 6, lines 1-12 and recommends its deletion. This provision would require the disclosure of the identity and location of the foster parents, adoptive parents, or foster care facility, to the natural parents following a specified time period. There are situations where it is in the best interest of the child, other foster children in the home, and the foster parents not to have the location of the child made known to the child's parents, guardians, or other interested individuals. Maintaining the confidentiality of this information will prevent abusive, hostile parents from making unplanned contacts with their children, thereby diminishing the possibility of "kidnapping" children removed from their custody, and from unnecessarily harassing or intimidating the substitute caretakers. Parent-child contacts can continue to be held but need not be in the home of the substitute caretakers.

Your Committees on Human Services and Judiciary are in accord with the intent and purposes of H.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 34, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 353 Consumer Protection and Commerce on H.B. No. 431

The purpose of this bill is to conform that portion of the Hawaii Uniform Securities Act (Modified) relating to private placements to federal securities law.

Testimony given by the Hawaii State Bar Association and the Department of Commerce and Consumer Affairs supported the bill.

Some concern was expressed about clarifying the language relating to the type of exemption the commissioner of securities could grant. Accordingly your Committee has amended this bill to specify that the exemptions are restricted to those allowable under federal law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 431, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 354 Consumer Protection and Commerce on H.B. No. 340

The purpose of this bill is to amend Section 436D-3, Hawaii Revised Statutes, to permit osteopathic physicians licensed under Chapter 460, Hawaii Revised Statutes, to practice acupuncture without being licensed by the Board of Acupuncture.

Testimony in favor of the bill was given by two practicing osteopaths. Although physicians licensed under Chapter 453, Hawaii Revised Statutes, and dentists licensed under Chapter 448, Hawaii Revised Statutes, are exempted from the provisions of Chapter 436D, osteopaths are not included in the exemption.

It was pointed out that osteopathic physicians are fully licensed under Chapter 460, Hawaii Revised Statutes, and have all of the same privileges, rights, and responsibilities regarding the practice of their profession which are accorded to physicians of other schools. Further, only osteopaths who have been trained in the special field of acupuncture will practice it.

Further testimony in favor of the bill was provided by the Board of Osteopathic Examiners.

Testimony against the bill was received from the Board of Acupuncture and by the Hawaii Association of Certified Acupuncturists which expressed concern that this special health practice which is very different from western methods of treatment might be practiced without the proper training.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 340 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 355 Consumer Protection and Commerce on H.B. No. 288

The purpose of this bill is to amend Sections 442-2 and 442-4, HRS, by deleting invalid and unconstitutional application information requirements, removing outdated procedures, and imposing a more realistic application deadline.

This bill deletes requirements of citizenship and residency which the board has not enforced for years because, it was held unconstitutional. The good moral character requirement and proof of high school diploma are also deleted on the recommendation of the Legislative Auditor.

This bill also eliminates the election of a secretary because those functions are now assumed by the Board of Chiropractic Examiners' executive secretary, and deletes the requirement of submitting an annual report to the Governor. The board has in the past, and is always ready to provide the Governor with any information he seeks in the operation of the regulatory board.

Presently, Section 442-2, HRS, provides for a 30 day deadline for filing examination applications. Your Committee finds that a filing deadline of 60 days prior to the examination date is required for the board to adequately process applications and to secure the examination site.

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

and purpose of H.B. No. 288 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 356 Consumer Protection and Commerce on H.B. No. 291

The purpose of this bill is to redefine dentistry, delete the detailed provisions of fraudulent advertising by dentists, delete the provision for good character, require all applicants to take a written as well as a practical examination, change the sequence of filing and satisfying examination requirements for foreign dental applicants, amend section titles to clearly distinguish those who are graduates of dental colleges accredited by the American Dental Association and those who are not, delete the office of secretary and treasurer of the board and provide for vice-president, delete the requirement to submit an annual report to the Governor, delete outdated provisions, and neuter references to the male gender.

The present law does not clearly define dentistry--it merely lists the various duties of a dentist. This bill will better define the term. Your Committee finds that the practice of dentistry includes health care concerned with the diagnoses, prevention, treatment of disease of the teeth, oral cavity and associated structures including the restoration of defective or missing teeth.

The present law in section 448-4 identifies in detail when a dentist can be held liable for the manner in which a dentist advertises the practice of his profession. The law provides for penalty for violation of any one of the listed infractions. This bill deletes all the detailed provisions in section 448-4 and substitutes general language. The president of the Board of Dental Examiners testified that the detailed provisions deleted will be incorporated into the board's rule.

The present law requires that applicants must show proof of good moral character. This bill deletes this requirement. Your Committee finds that the Legislative Auditor's report on the evaluation of boards and commissions operations recommended that a moral character document is unnecessary because they are "not necessary for the proper evaluation of applicants, resulting in additional paper shuffling by staff and inconvenience to applicants".

The present law requires all applicants to take the practical examination. The bill will require applicants also to qualify in the written examination given in conjunction with the practical examination. Your Committee finds that all dental applicants should pass the written as well as a practical examination to demonstrate the fitness to practice dentistry.

The present law requires foreign dental applicants to take Parts I and II of the examination of the National Board of Dental Examiners after the board accepts the credentials of the applicants. This bill requires applicants to take the national board examinations before applying for a license. Your Committee finds that non-foreign dental applicants are presently required to take the national board examination prior to filing an application with the board and the amendment is merely revising the law to make it consistent and treat the two groups equally.

The present law provides for a board's secretary and a treasurer. This bill deletes these offices and replaces it with a vice-president. Your Committee finds that the board does not elect a secretary or a treasurer because the duties of the offices are relegated to the Department of Commerce and Consumer Affairs and staff services to the board are provided by the department.

The present law requires the board to submit an annual report to the Governor. This bill deletes this provision. Your Committee finds that the Board of Dental Examiners do not make annual reports to the Governor because the Department of Commerce and Consumer Affairs provides the Governor, upon request, information on the operations of all boards and commissions placed within the department for administrative purposes.

Your Committee also has made non-substantive changes in the bill to correct typographical and bill drafting errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 291, H.D. 1, and be placed on the

calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 357 Consumer Protection and Commerce on H.B. No. 687

The purpose of this bill is to extend the repeal date of the real estate commission from December 31, 1983, to December 31, 1989.

Supportive testimony was submitted by the Real Estate Commission, the Department of Commerce and Consumer Affairs, and the Hawaii Association of Realtors.

The purchase of a home is a consumer's major investment and, given the current economic environment, the potential risks of loss to individuals are too great to leave the real estate industry unregulated.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 687 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 358 Consumer Protection and Commerce on H.B. No. 659

The purpose of this bill is to change the repeal date of Chapter 444, Hawaii Revised Statutes, relating to the Contractors Licensing Board from December 31, 1983, to December 31, 1989.

Testimony in support of the intent and purpose of the bill was provided by the Contractors Licensing Board; the Department of Commerce and Consumer Affairs; the Construction Industry Legislative Organization, Inc.; the City and County of Honolulu; the Plumbing and Mechanical Contractors Association of Hawaii; and the Subcontractors Association of Hawaii.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 659 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 359 Consumer Protection and Commerce on H.B. No. 524

The purpose of this bill is to require a person claiming no-fault benefits under a no-fault insurance policy to submit to an examination by a physician designated and paid by the insurer.

Representatives of the insurance industry testified in support of the bill. A private attorney representing plaintiffs opposed the bill claiming the procedure would be used by insurers to delay or deny the payment of benefits. The Department of Commerce and Consumer Affairs supported the bill but recommended some changes to prevent insurers from requiring repeated medical examinations and from denying benefit payments accruing during the time an insured refuses to be examined.

Your Committee recognizes that there are valid arguments on the parts of both an insured and the insurer. To fairly treat both parties your Committee has amended this bill to address the concerns of the Department of Commerce and Consumer Affairs. Thus although the payment of benefits can be suspended during time an insured refuses to be examined, the accrual of benefits during such time cannot be denied. Your Committee has also deleted language which suspends payments when the insured obstructs an examination because of the difficulty of defining "obstructs" and the fact that, in reality, an insured would refuse to be examined instead of obstructing the exam.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 524, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 360 Transportation and Consumer Protection and Commerce on S.C.R. No. 1

The purpose of this concurrent resolution is to request the Attorney General, the county police departments, and other law enforcement officers to refrain from issuing citations for noncompliance with laws or standards relating to the tinting of glass on motor vehicles until the legislature enacts statewide light transmittance standards or until July 1, 1983, whichever is earlier.

Your Committees find that many of Hawaii's residents have tinted their car windows unaware of the state and federal standards relating to light transmittance and reflectance. Your Committees also find that the Legislature is presently considering legislation dealing with sun screening devices (including tinting material) on motor vehicles and that it would serve no purpose to force persons to remove tinting materials from their automobile windows when such tinting materials might comply with standards which may be enacted by the Legislature.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of S.C.R. No. 1 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 361 Human Services and Judiciary on H.B. No. 318

The purpose of this bill is to prioritize the obligation to pay child support as opposed to other financial obligations.

This bill emphasizes the duty of support and makes it a prime concern when the courts determine the ability of the absent parent to pay support. The duty of the parent to support legal dependents is made the primary consideration with other financial obligations, as secondary.

Your Committees find that the obligation of parents to support, maintain, and educate their children is mandated by Chapter 577-7 of the Hawaii Revised Statutes. This bill strengthens the family support laws of the state and provides for uniformity in the establishment of child support obligations.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 318 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 362 Human Services and Judiciary on H.B. No. 321

The purpose of this bill is to separate the matter of visitation from the matter of child support.

Your Committees find that this bill clearly separates custody and visitation issues from parental duty to provide child support in public assistance cases. Child support and parental rights of visitations and custody matters are clearly separate issues which are frequently combined. Absent parents refuse to pay child support owing the state, using denial of visitation as defense.

The Department of Social Services and Housing submitted testimony in support of this bill. Under the Department's Aid to Families with Dependent Children Program, absent parents of children receiving public assistance are required to pay child support to the state as repayment in part for the taxpayers' dollars used to support needy children. When the state is supporting a family through public assistance payments, the absent parent's refusal to pay support in an attempt to coerce visitation is not reasonable.

Your Committees agree that the child must be assured a means of support from his legal parents notwithstanding parental differences concerning custody and visitation. If a parent truly wishes to visit the child, there are specific legal and equitable remedies available to enforce visitation rights. Withholding support is a punitive action which ignores the best interest of the child. A statutory base, as stated in this bill, will reaffirm parental duty to support their minor children.

Your Committees on Human Services and Judiciary are in accord with the intent and

purpose of H.B. No. 321 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 363 Health and Judiciary on H.B. No. 818 (Majority)

The purpose of this bill is to change the standard of proof from "beyond a reasonable doubt" to "upon clear and convincing evidence" for involuntary, civil commitment to a psychiatric facility. This bill addresses hospitalization procedures for non-emergency treatment or supervision at a psychiatric facility.

Your Committees recognize that the proposed standard of proof is one approved by the U.S. Supreme Court in 1979 (*Addington v. Texas*, 99 S.Ct. 1804, 1809). The courts have found that "beyond a reasonable doubt" constitutes an impossible test. This measure would bring Hawaii law into consonance with case law.

Your Committees find that this bill clarifies the responsibilities of the court and the hospital regarding involuntary commitment cases and the process of hospitalization and discharge. The specifics provided under this measure encourage accountability of all parties involved in the process for each patient.

This bill also addresses a different issue from that of adjudication for commitment. Section 334-60(b)(G) deals with temporary hospitalization for evaluation and diagnosis. Your Committees find that this bill is not the proper vehicle to address this concern, thus the proposed change here, line 18 on page 8, is unnecessary.

Your Committee has amended this bill by replacing the proposed change, "clear and convincing evidence", with the original "sufficient evidence" on page 8, line 18.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 818, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 818, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
(Representatives Hagino, Morgado and Jones did not concur.)

SCRep. 364 Judiciary on H.B. No. 390

The purpose of this bill is to require that the notice of summons in a quiet title action shall be published in an English language newspaper of statewide circulation, whenever the action is filed in a circuit other than the first circuit. This is to insure that notice of an action to quiet title will be provided to a greater number of people who have an interest in the real property that is the subject of litigation.

Under present law, a litigant, who is seeking to quiet title to property, must give notice of the action to persons who may claim title even though the identity of the person may be unknown. Notice is given to these persons by publishing a notice of summons in a newspaper of general circulation. Often the notice is published in a foreign language newspaper or one which circulation is limited to a single island.

Your Committee has heard testimonies from the Native Hawaiian Legal Corporation and the Office of Hawaiian Affairs who testified that they found in many cases legitimate heirs to lands being claimed through adverse possession are either unknown, absent or unaware of their interest in such lands. While the great majority of quiet title actions involving Hawaiian defendants occur on the neighbor islands, the majority of the heirs to the lands claimed reside on Oahu. However, it is not only Native Hawaiians who will benefit from this bill, but the general public as well.

Your Committee has amended the bill by correcting typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 390, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.