

SCRep. 365 Judiciary on H.B. No. 357

The purpose of the bill is to authorize discretion to a trial judge to replace a juror with an alternate juror after a jury has begun its deliberations, should any of the original twelve jurors become ill or otherwise be unable to serve.

Under present law there is no authority for an alternate juror to join the deliberations after the original twelve jury members have begun deliberating. If any of the attorneys involved in a case objects to the substitution of an alternate juror, the court must declare a mistrial. By giving the court the authority to substitute an alternate juror to continue with the deliberations, all of the time and effort and expense involved in the presentation of the trial would not be wasted.

Your Committee has heard testimony from the Honolulu Prosecutor and the Maui Prosecutor.

Your Committee has amended the bill to authorize discretion to the trial judge to discharge the alternate jurors and to recall them when replacement becomes necessary. Your Committee felt that alternate jurors may be needed but should not be kept on "stand by" during the jury deliberations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 357, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 366 Employment Opportunities and Labor Relations and Consumer Protection
and Commerce on H.B. No. 1528

The purpose of this bill is to promote the public welfare by amending the ratemaking process for workers' compensation insurance, to the end that the rates shall not be excessive, inadequate, or unfairly discriminatory.

House Bill No. 1528 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. Your Committees have 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 Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1528, as amended herein, and recommend that it be recommitted to the Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1528, H.D. 1.

Signed by all members of the Committees except Representative Wong.

SCRep. 367 Agriculture on H.B. No. 1422

The purpose of this bill is to require a maximum shelf life of eight days for processed milk intended for sale by retail or wholesale markets.

Your Committee has received testimony from the 50th State Dairy Cooperative in support of this bill. The Department of Health also testified in support of this measure and recommended that the shelf life restriction apply to sale of milk for human consumption only. This would allow milk that exceeded the shelf life to be sold for animal feed without adverse effect to the animals.

At the present time, there is no maximum period prescribed by statute for the shelf life of processed milk intended for sale. Individual processors are permitted to set their own "pull dates" for processed milk, and at present the pull dates vary from ten to twelve days. H.B. No. 1422 will set a maximum shelf life limit of eight days.

Your Committee finds that prescribing a limit to the shelf life for fluid processed milk intended for sale, except milk packaged in hermetically sealed containers, is in the best interest of Hawaii's consumers. This bill would ensure the availability of a consistently higher quality product to the consumer.

Your Committee has amended this bill by: (1) adding the phrase "to sell" after the word "offer" on line 4; (2) adding the word "fluid" before "processed" and adding the phrase "for human consumption" after the word "milk" on line 5; and (3) revising line 7 to reflect no shelf life restriction for milk packaged in hermetically sealed containers.

Your Committee has made technical, nonsubstantive amendments to the bill on lines 1 and 2 for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1422, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 368 Transportation on H.B. No. 1128

The purpose of this bill is to allow commercial vessels to be moored in small boat harbors on the neighbor islands and on Oahu except where there is a commercial harbor within three statute miles of the small boat harbor.

The State Department of Transportation informed your Committee that crowded conditions in commercial harbors on the neighbor islands make it necessary that some smaller commercial vessels find mooring in small boat harbors which are within three statute miles of the commercial harbor. The Department testified that Department regulations prescribe quotas which will limit the percentage of commercial vessels permitted in a small boat harbor and that the shallow draft of the small boat harbors prevents larger commercial vessels from mooring in the small boat harbors.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1128 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 369 Finance on H.B. No. 225

The purpose of this bill is to change the interest rate ceiling on general obligation bonds of the State.

Act 245, Session Laws of Hawaii 1980, established the maximum interest rate which may be paid on general obligation bonds issued by the State at 9-1/2%. The rate was temporarily raised to 12% by Act 18, First Special Session Laws of Hawaii 1981, and to 14% by Act 71, Session Laws of Hawaii 1982. This rate is effective through June 30, 1983, at which time it will revert to 9-1/2%.

On March 24, 1982, the State attempted to issue \$75 million general obligation bonds, series AT, but received no bids because of conditions in the municipal bond market and the 12% statutory interest rate ceiling in effect at the time. The bond buyer's 20-bond index of general obligation bonds at that time was 13.04%. In the period from March 31, 1982, to May 13, 1982, after the interest rate ceiling had reverted to 9-1/2%, the State was effectively shut out of the municipal bond market. During this period the 20-bond index fluctuated from a low of 11.82% to a high of 13.13%. The series AT bonds were finally sold on June 17, 1982, at an interest cost of 12.22% but only after the ceiling was raised to 14% on May 14, 1982.

While there have been periods of improvement in tax-exempt interest rates, the underlying causes of high interest rates still remain. Uncertainty as to the size of the national deficit and the large volume of private purpose revenue bonds being marketed continues to exert strong pressure on interest rates. Also, a change in the federal tax laws which will require financial institutions to reduce by 15% the amount of the otherwise-allowable interest expense deduction on debt, including deposits, deemed to be used to purchase or carry tax-exempt obligations acquired after December 31, 1982, is certain to dampen interest in investment in tax-exempt bonds by financial institutions.

State expenditures for capital improvement projects are expected to continue at a rate of about \$150 million per year. To insure continued, orderly financing of these projects without relying upon borrowing from the state general fund, your Committee agrees it is advisable to maintain the current interest rate ceiling on state general obligation bonds.

Your Committee has amended this bill in its entirety to keep the interest rate temporarily at 14%, but to limit the effect of such ceiling until June 30, 1984, after which the statutory rate of 9-1/2% shall apply.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 225, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 370 Finance on H.B. No. 1568 (Majority)

The purpose of this bill is to allow the State to offer its general obligation and revenue bonds by private or negotiated sale to parties other than governmental entities.

Present statutes permit sale of bonds by negotiation, but only to governmental entities. Since these entities are not subject to taxation, however, they derive no tax benefits from the ownership of tax exempt bonds. There is, therefore, little incentive for them to invest in tax-exempt bonds sold by the State. As a result, sale of nearly all of the State's bonds have been public, by competitive bid to non-governmental entities.

Your Committee learned that the current statute was enacted at a time when the bond market was stable. At that time public sales consistently promised the lowest interest rates at which bonds could be sold. The bond market now, however, is highly volatile with wide fluctuations in prices over short periods of time. The interest rate at the time of advertising may be favorable but the market conditions may change drastically, such that, at the time of the sale, the rate may be unfavorable. In a private sale, the State has the option of rejecting a bid and beginning the bidding process again, but this can be costly and there is no assurance that any subsequent bids will be better than the first.

In a private or negotiated sale, however, if the State believes the interest rate is too high the rate can be improved through negotiation. In such a sale, the underwriters who purchase the bonds for resale engage in an intensive pre-sale marketing effort. As a result, demand for the bonds at any given interest rate can be effectively measured and the bonds priced and repriced accordingly. Also, if market conditions for the sale suddenly become unfavorable, the offering date can be adjusted in favor of the State. Private and negotiated sales, then, can offer a measure of stability when the market is volatile.

This bill does not require that sale of bonds be by private or negotiated sale. Rather, it allows the State the flexibility of choosing public or private sales according to the advantages that either affords at any given time.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1568 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 371 Ocean and Marine Resources on H.B. No. 871

The purpose of this bill is to allow the sale of all species of fish taken with a spear beyond the existing statutory cut-off date of December 31, 1983.

The current law has enabled the fish markets in the State to expand, and provides the consumers with the opportunity to purchase previously unavailable fish, such as kumu, uhu, kole, nohu, and others.

Your Committee has heard testimony presented by the Department of Land and Natural Resources that it has been monitoring commercial spearfishing activities for several

years. Landings reported in required monthly catch reports, market observations, and other sources have indicated that the sale of speared fish has had no major adverse effect on the resources' sustainable yield.

Your Committee has also heard testimony from other sources, including Mr. Cyrus Tamashiro of Tamashiro Market, and endorsements by the 31 members of the Honolulu Fish Dealers Association; Mr. Frank Farm, Jr., President of the Hawaii Council of Diving Clubs; Mr. Walter Vinhasa, commercial fisherman; and others. All testimony received strongly supported the intent and purposes of this bill.

Your Committee has amended the bill by making nonsubstantive typing corrections to the bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 871, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 372 Corrections and Rehabilitation on H.B. No. 1496

The purpose of this bill is to require the Intake Service Center (ISC) to notify the appropriate county prosecutor and police chief when it is recommending to the court that a person accused of a Class A felony involving force or violence against another person be conditionally released or that bail be lowered.

Your Committee feels that it is appropriate for the ISC to notify county prosecutors when recommending that a person accused of a Class A felony involving force or violence be conditionally released or that bail for such person be lowered. However, your Committee finds that notification of the police chiefs is not necessary since they are no longer involved with the disposition of the accused.

This notification procedure would allow the county prosecutors to be present when the court considers ISC recommendations of conditional release or reduced bail and to express any concerns. Furthermore, the county prosecutors would be in a better position to notify other interested parties such as the victim or witnesses of the impending release of the accused.

Your Committee is in agreement that the purpose of bail is not to punish the accused, but to insure his appearance in court. The intent of this bill is to provide the county prosecutors simple notification of ISC's recommendation in specified cases and nothing more.

Your Committee has amended this bill by deleting the requirement that police chiefs be notified and that the notification be immediate. It is understood that ISC's notification will be accomplished in a timely manner. The amended wording, "the prosecutor's office of the appropriate county", was used to clarify the intent that the office of a prosecutor and not a particular prosecutor was to be notified.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1496, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 373 Higher Education and the Arts on H.B. No. 338

The purpose of this bill is to amend Section 304-20 of the Hawaii Revised Statutes to allow the advisory committee known as the Teacher Education Coordinating Committee (TECC) to meet ten times within any calendar year on matters of education of common interest to the department of education and accredited institutions of higher learning in Hawaii. Under present law, the TECC meets twelve times within any fiscal year.

The Committee finds that the proposed change from twelve to ten meetings per calendar year will enable TECC to achieve its required quorum by more properly reflecting the work schedule of the involved institutions. In addition, much of the work of the TECC

can be executed through more subcommittee task force meetings and fewer committee of the whole meetings. The proposed change also provides a flexibility for meeting more than ten times per year when business of the committee requires it.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of this bill and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 374 Tourism and Consumer Protection and Commerce on H.B. No. 1169

The purpose of this bill is to clarify and to limit the liability of hotelkeepers.

Your Committees have heard testimony from the Hawaii Hotel Association in support of H.B. No. 1169, which restores the pre-1981 liability limit of hotels through the provisions of sections 1, 2 and 3. The present liability of hotelkeepers may have been unclear and perhaps even unlimited due to prior changes in the language. Section 1 further defines "bedroom", and, in doing so, clarifies the posting requirement. Under section 2, if a notice of the liability of the hotelkeeper has been properly posted, a hotelkeeper is not liable for the loss of valuables of a hotel guest when a security box has been provided for the guest in the hotel room. Section 3 limits the liability of hotelkeepers to \$500.00 for the losses of personal property of guests under section 486K-5.

Your Committees have made technical, nonsubstantive amendments to the bill.

Your Committees on Tourism and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1169 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1169, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 375 Employment Opportunities and Labor Relations on H.B. No. 757

The purpose of this bill is to expedite benefit payments to disabled employees by establishing a time limit for the initial filing of a disability claim by the disabled employee.

Your Committee finds that Section 392-44 of the Temporary Disability Insurance Law provides that the first payment of disability benefits be made within 10 days after filing of the required proof of claim. The statute, however, does not prescribe any time limit as to the filing of the claim. Also, Section 12-11-35 of the administrative rules relating to temporary disability insurance provides that an employee shall file a claim for disability benefits on a form prescribed by the Director within 30 days after the commencement of disability, or as soon thereafter as is reasonably possible.

Your Committee concurs with testimony from the Director of Labor and Industrial Relations supporting this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 757, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 376 Judiciary on H.B. No. 1037

The purpose of this bill is to provide authority to the Family Court to issue temporary restraining orders while a divorce is pending. This bill also provides that any wilful disobedience of the restraining order under section 580-10 of the Hawaii Revised Statutes is a misdemeanor as provided for in section 710-1077 and that the police shall enforce these orders accordingly.

Under present law, domestic abuse protective orders may be requested under chapter 586 of the Hawaii Revised Statutes, irrespective of whether a divorce action is pending. However, there is no specific statutory authority in chapter 580: Annulment, Divorce, and Separation for temporary restraining orders, although there is statutory authority

in section 580-10 for restraining orders against wasting marital assets.

This bill will conform the present practice of the Family Court which issues temporary restraining orders against personal abuse or threatened abuse in connection with divorce. It has been the practice of the Family Court to issue these temporary restraining orders when necessary pursuant to the court's equity powers, under motions for temporary relief called Order to Show Cause.

Your Committee has heard testimony from the Family Court, the Legal Aid Society of Hawaii, the Hawaii Women Lawyers, and the Victim/Witness Kokua Services of the Honolulu Prosecutor's office, and the Family Law Committee of the Hawaii State Bar Association. They are in support of the passage of the bill because of the clarity that the bill will provide in stating the authority of the courts to issue such an order and in stating the authority of the police to enforce such an order. Your Committee believes that the bill is needed to provide relief to persons who are in the process of a divorce.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1037 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 377 Judiciary on H.B. No. 535

The purpose of this bill is to amend subsection (d) of section 91-14, Hawaii Revised Statutes, to extend the time in which an agency may prepare a record on appeal from fifteen days to forty days.

At present, many agencies are unable to prepare the materials for a record on appeal within the fifteen day period and must be granted an extension from the court. The frequent use of such extensions imposes additional work and expense to the parties involved.

Your Committee feels this bill will provide agencies a more reasonable time in which a record on appeal may be prepared.

The proposed forty-day period corresponds to the same number of days that is used for the filing of the record on appeal to the Supreme Court and the Intermediate Court of Appeals.

Your Committee received testimony from the Office of the Attorney General, Department of Personnel Services, and Department of Social Services and Housing in support of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 535 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 378 Judiciary on H.B. No. 402

The purpose of this bill is to amend section 571-84 of the Hawaii Revised Statutes by authorizing the Family Court to disclose the name, address, prior record, and photograph of a minor who has escaped from the Hawaii Youth Correctional Facility, provided that the detention was for a violation of a class A felony involving violence or the threat of violence.

Your Committee received testimonies from the Honolulu Police Department, the Hawaii Crime Commission, the Honolulu Prosecutor, the Family Court, and the Waikiki Improvement Association in support of the bill. There are presently no statutory provisions to authorize release of this information, although permission has been granted by the Family Court and the Department of Social Services in the past under certain circumstances.

This bill will permit the minor's photograph to be published in the daily newspapers or shown on television and will serve as a warning to the public that the minor is on escape status and poses a threat to the community.

Your Committee has amended the bill as follows:

1. The word "court" on page 2, line 18, of the bill is substituted with "Hawaii Youth Correctional Facility of the Department of Social Services and Housing with the concurrence of the Police; "
2. The words "felony conviction" on page 2, line 19, of the bill is substituted with "adjudications for offenses which, if the minor were an adult, would be a felony; "
3. The word "correctional" is added after the word "juvenile" on page 2, line 20 of the bill.

Your Committee has also amended the bill by permitting the release of information if detention at Hawaii Youth Correctional Facility was for the violation of any felony involving violence or the threat of violence.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 402, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 379 Judiciary on H.B. No. 194

The purpose of this bill is to grant brothers and sisters of a deceased person the right to maintain an action for damages against any person who, by wrongful act, neglect or default, causes or is responsible for that death.

Under present law, only the surviving spouse, children, father, mother and any other person wholly or partly dependent upon the deceased person are specifically authorized to maintain such an action.

Your Committee heard testimony indicating that there was no rational reason for excluding siblings from the group of listed beneficiaries.

Your Committee feels that lineal or close family relatives and dependent non-relatives merit a priority over actions maintained by one's brothers or sisters but that brothers and sisters should be included when they are the only relations surviving after those presently named.

Accordingly, your Committee has amended section 1, page 2 of the bill, by changing the period after the word "person" in line 5 to a semicolon and adding the following phrase:

"provided that brothers and sisters may maintain an action only if there are no other surviving persons, as set forth herein."

Further discussion was held by your Committee with regard to the advisability of defining the terms "brothers" and "sisters". Upon a close examination of the statute, however, it was determined that comparable terms are not defined and that the inclusion of said definitions would be unnecessary.

Your Committee has further amended the bill by making technical nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 194, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 380 Judiciary on H.B. No. 196

The purpose of this bill is to allow a married woman a right of action against her husband for his wrongful or tortious acts resulting in personal injury to her or to her property, as if they were unmarried, and to impose liability to her for her wrongful or tortious acts against her husband resulting in personal injury to him or his property, as if they were unmarried.

Testimony from the American Civil Liberties Union of Hawaii, Hawaii Business and Professional Women's Clubs, Inc., and an attorney in private practice support this bill because it would amend present law which treats the husband and wife as one person and presupposes no separate legal identity for the woman.

Your Committee believes that the bill would be a positive step in treating married and unmarried individuals equally before the law.

Your Committee has amended the bill by making technical nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 196, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 381 Judiciary on H.B. No. 118

The purpose of this bill is to correct technical errors appearing in various portions of the Hawaii Revised Statutes (hereafter "H.R.S.") and the Session Laws of Hawaii (hereafter "S.L.H.") which have resulted in inconsistencies, redundancies, unnecessary repetition, and lack of clarity.

This bill, as received by your Committee, proposes amendment or repeal of twenty-one separate sections of the H.R.S. and three separate sections of three different Acts in the S.L.H. The proposals originate from the legislative directive contained in section 23G-20, H.R.S., which mandates the revisor of statutes to conduct a continual review of the laws of the State for the purpose of removing inconsistencies, redundancies, unnecessary repetition, and to improve their clarity.

Your Committee has deleted six sections of the bill, which are discussed with the sections to which amendments have been made. References to sections of H.B. No. 118 refer to sections of the bill as received by your Committee.

Section 1 amends section 11-17, H.R.S., by changing the definition "to vote" to "vote", and the title of the section to reflect the present language of the section. Act 226, S.L.H. 1982, amended section 11-17, to clarify that the name of a person registered to vote in the office of Hawaiian Affairs election is to be removed from the register only if that person did not vote in the primary election, did not vote in the general election, and did not vote in the office of Hawaiian affairs special election. The amendment of section 11-17, H.R.S., resulted in a change of language such that the words "to vote" no longer occur in the section.

Section 2 amends section 26-9(c), H.R.S., which lists the boards and commissions which are placed within the department of commerce and consumer affairs for administrative purposes. This subsection is amended to include the factory built housing advisory board and motor vehicle industry licensing board, which are also administratively attached to the department; to remove the double reference to accountants; and to add the words "board of" before the word "acupuncture" to properly set forth that board's name. Your Committee amended this section as received by also deleting reference to the cemetery and mortuary board, which was abolished by Act 221, S.L.H. 1981.

Section 3 amends section 89-3.5, H.R.S., by deleting the words "of title 26", since there is no title 26 of the Internal Revenue Code. The Internal Revenue Code is title 26 of the United States Code.

Section 4 amends section 124A-68(a), H.R.S., by substituting the word "with" for the word "without" to correct an obvious typographical error, since a plain reading of the subsection as enacted would allow trial and punishment at any time a person charged with "absence with leave", which makes no logical sense; and the analogous provision in the Uniform Code of Military Justice uses the word "without".

Section 5 amends section 171-60, H.R.S., by adding the three pages of statutory language which were deleted from that section in 1981. Act 199, S.L.H. 1981, amended the first part of section 171-60, H.R.S., relating to the development of public lands through private developers, by deleting the language requiring the concurrent resolution approving a development project to be adopted by each house of the legislature no earlier than twenty-four hours after printed copies of the concurrent resolution have been made available to the members of the legislature. A review of the legislative history shows no intent to delete the subsequent three pages of statutory language. The omitted

language contains the actions required to be taken by the board of land and natural resources prior to leasing any public land to, or entering into a development contract with, a developer or developers; and the required terms of any disposition or development contract.

Section 6 amends section 176D-4, H.R.S., on the Protection of Instream Uses of Water, by changing the reference to "one hundred eight days" to "one hundred eighty days" to correct a clerical error. Legislative history refers specifically to paragraph (2)(E), stating in part that the period during which the board of land and natural resources shall grant or reject a petition is amended to "180 days with a 180-day extension allowable." (House Standing Committee Report No. 499-82 on House Bill No. 1882, H.D. 1, Eleventh Legislature, 1982, State of Hawaii.)

Section 7 amends the title of section 176D-7, H.R.S., by deleting the words "administrative review", to conform it to the text of the section, which provides for judicial review of an administrative order or action.

Section 8 amends section 188E-1, H.R.S., by deleting the reference to the marine affairs coordinator and by changing the number of ex officio voting members from "four" to "three" to reflect the change in the number of members on the Hawaii fisheries coordinating council. Your Committee has deleted this section since testimony from the department of planning and economic development indicates that an administration bill has been introduced to cover any necessary amendments to section 188E-1, H.R.S.

Section 9 amends the definition of coastal zone management area in section 205A-1, H.R.S., on coastal zone management, by substituting the word "lead" for the word "head". Act 200, S.L.H. 1979, amended chapter 205A, H.R.S., on coastal zone management, by clarifying the procedures relating to special management area controls. The definition of "coastal zone management area" was expanded, and the new language in the definition included reference to a "head" agency, although "lead" agency is defined by chapter 205A and used throughout the chapter.

Section 10 amends section 205A-22(9), H.R.S., by deleting the brackets around "(3)(A)" in the definition of "valuation". The revisor of statutes, pursuant to statutory authority, corrected the reference to paragraph "(A)" in this definition to read "(3)(A)" to correct an obvious error, and indicated the change by the use of brackets and a revision note.

Section 11 amends section 227-2, H.R.S., by deleting the reference to the marine affairs coordinator and by changing the number of ex officio voting members from "seven" to "six" to reflect the change in the number of members on the managing board of the natural energy laboratory of Hawaii. Your Committee has deleted this section since testimony from the department of planning and economic development indicates that an administration bill has been introduced to cover any necessary amendments to section 227-2, H.R.S.

Section 12 repeals section 287-48, H.R.S., as functus. Your Committee has deleted this section from the bill since the counties were not consulted regarding this repeal.

Section 13 amends section 377-4.5, H.R.S., by deleting the words "of title 26", since there is no title 26 of the Internal Revenue Code. The Internal Revenue Code is title 26 of the United States Code.

Section 14 amends section 383-7, H.R.S., by substituting travel "agency" for travel "agent" where it appears in paragraph (18). Your Committee has deleted this section from the bill with the recommendation that any such amendment be handled by the appropriate subject matter committee.

Section 15 amends section 383-29.5, H.R.S., by deleting the brackets around the word "eighty". The revisor of statutes, pursuant to statutory authority, corrected the obvious typographical error which resulted in the word "eights" instead of "eighty" and indicated the correction by the use of brackets.

Section 16 amends section 417-45, H.R.S., by adding the words "who are not the same person" to the second sentence of subsection (a), to clarify that where there is a merger of a subsidiary corporation, the certificate of ownership cannot be signed by only one person who is a dual officer of the corporation but must be signed by two different authorized officers. Act 162, S.L.H. 1982, enacted section 417-45, H.R.S., and amended various sections of the general corporation law to clarify that certain certificates and amendments of corporate charters or articles required to be filed with the department of commerce and consumer affairs must be signed by two different authorized officers; and inadvertently omitted the clarification from section 417-45, H.R.S.

Section 17 amends section 514E-16, H.R.S., relating to the deposit of purchaser's funds, notes, and contracts into escrow, under the timesharing law, by adding the words "the jurisdiction" to indicate the escrow may occur outside of Hawaii. Your Committee has deleted this section from the bill with the recommendation that any such amendment be handled by the appropriate subject matter committee.

Section 18 amends section 560:5-309, H.R.S., by substituting the word "ward's" for the word "ward" wherever it precedes the words "or person's" in subsection (a) to correct a grammatical oversight.

Section 19 amends section 560:5-312D, H.R.S., by adding the word "training" after the word "control", to provide that guardians of the person may voluntarily admit wards to Waimano Training School and Hospital for training. Your Committee has deleted this section from the bill with the recommendation that any such change be handled by the appropriate subject matter committee.

Section 20 amends section 581-1, H.R.S., by deleting the brackets around subsection (a), which states: "(a) There is established within the office of the governor, an office of children and youth." The revisor of statutes, pursuant to statutory authority, retained subsection (a) in the 1982 Supplement to the H.R.S., which subsection was omitted when section 581-1, H.R.S., was amended by Act 129, S.L.H. 1982.

Section 21 amends the title of section 704-402, H.R.S., by inserting the words "an affirmative" before the word "defense", to conform to the amendment of the text of the section under Act 229, S.L.H. 1982, which made physical or mental disease, disorder, or defect excluding responsibility an affirmative defense.

Section 22 amends Section 2 of Act 191, S.L.H. 1977, by referring to the terms "firefighters" and "police officers", and "fireman" and "policeman" disjunctively rather than as conjunctive phrases. Legislative history reveals that "The designation change for firemen and policemen conforms with the usage of non-sex terms in statutory language." (Senate Conference Committee Report No. 19 on House Bill No. 817, H.D. 1, S.D. 1, Ninth Legislature, 1977, State of Hawaii.) It also reveals that the terms "firefighters" and "police officers" were designated disjunctively rather than as a conjunctive phrase in the final committee report. (*Ibid.*)

Section 23 amends Section 1 of Act 185, S.L.H. 1981, by deleting the words "purpose of this Act is to amend the" and inserting the words "is amended" which will allow the revisor of statutes to delete the terms "leprosy" and "leprosy patient" and substitute the terms "Hansen's disease" and "Hansen's disease sufferer" wherever the same appear within the H.R.S. The section as enacted only sets forth the purpose of Act 185, but did not substantively make the amendment.

Section 24 amends Section 8 of Act 204, S.L.H. 1982, to provide that the title "director of regulatory agencies" wherever it appears in the H.R.S. shall be changed to "director of commerce and consumer affairs" as the context requires. This change is consistent with the change of the title "department of regulatory agencies" to "department of commerce and consumer affairs" wherever the same appears in the H.R.S., which was accomplished by Act 204.

This bill also makes technical and nonsubstantive amendments throughout the respective sections.

Your Committee has renumbered the respective sections of this bill to accommodate the deletion of six sections of the bill as received.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No 118, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 382 Judiciary on H.B. No. 10

The purpose of this bill is to amend the jurisdictional limit for civil cases in district court by increasing the monetary amount from \$5,000 to \$10,000.

Your Committee heard testimony from the Judiciary which supports increasing the monetary amount because it would help to alleviate circuit court case loads by allowing

more cases to be handled by the district courts. Raising the monetary amounts would not interfere with the right to a jury trial in circuit court as guaranteed by the state constitution.

The bill, by raising the monetary limits, will also expand the concurrent jurisdiction of the courts.

The Committee has amended the bill to raise the monetary amount from \$5,000 to \$10,000 on page 1, line 6 and from \$1,000 to \$5,000 on page 2, line 4 of the bill.

Your Judiciary Committee is in accord with the intent and purpose of H.B. No. 10, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 10, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 383 Judiciary on H.B. No. 11

The purpose of this bill is to amend §633-27, Hawaii Revised Statutes, by increasing the current \$1,000 jurisdictional amount of the Small Claims Division of the District Court.

Your Committee feels that the current dollar limit does not fully accomplish the intent of the law when first enacted. The decline in the value of the dollar because of inflation and the resulting increase in small claims cases exceeding \$1,000 make it necessary to increase the jurisdictional amount.

Your Committee has amended Section 1, line 11 of the bill by raising the amount "\$1,000" to "\$2,500". Current business practice for personal loans has made \$2,500 a viable dollar jurisdictional amount.

For the purpose of remaining consistent with this amendment, your Committee has raised the amount on page 2, line 2 from "\$600" to "\$1,500" and page 2, line 4 from "\$1,000" to "\$2,500".

Your Committee has received testimony from the Hawaii Bankers Association and the Administrative Director for the Courts in support of an increase in the dollar jurisdictional amount.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 11, as amended herein, and recommends that it pass Second Reading in the form hereto as H.B. No. 11, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 384 Judiciary and Consumer Protection and Commerce on H.B. No. 20
(Majority)

The purpose of this bill is to deny a liquor license to any applicant if that applicant discriminates in membership or otherwise on the basis of sex, ancestry, race, or religion.

Your Committees heard testimony in support of this bill and are in agreement with the intent of the bill. Your Committees believe that the liquor commissions should not be authorized to grant a license to applicants that discriminate. The Committees, however, believe that applicants for only temporary liquor licenses should not be affected.

The Committees have amended the bill to exempt "applicants for Class 10 Special Licenses."

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with H.B. No. 20, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 20, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 385 Consumer Protection and Commerce on H.B. No. 282

The purpose of this bill is to provide for a procedure in the statute for all boards to follow in resolving the matter of renewal of one's license or permit which is under suspension during the renewal period.

This bill will not impose a delinquent fee or penalty, and will allow a licensee or permittee to pay the renewal fee and satisfy the other renewal requirements after the termination of the suspension.

Your Committee has amended this bill by making non-substantive changes at the suggestion of the Deputy Attorney General who felt that the wording should be improved.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 282, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 386 Judiciary on H.B. No. 144

The purpose of this bill is to enable the Family Court to retain jurisdiction over a minor after the minor becomes eighteen until the full term of a Family Court order, provided that the term shall not extend beyond the time the person reaches nineteen years of age.

Your Committee has heard testimony from the Family Court in support of the bill, and your Committee has amended the bill pursuant to their recommendations. Accordingly, the Committee has deleted the proposed language "unless judicially terminated prior thereto" and the language following the proposed amendment. The Family Court presently has the authority under section 571-14(7) of the Hawaii Revised Statutes to proceed in waiver of jurisdiction over a person who was a child at the time of an alleged offense as provided for under section 571-22.

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

Signed by all members of the Committee.

SCRep. 387 Judiciary on H.B. No. 467

The purpose of this bill is to enable child victims or child witnesses the right to have either an attorney, parent, or other adult present at all hearings in the Family Court.

Your Committee on Judiciary has heard testimony from the Family Court which supports the bill and believes the bill to be a notable recognition of the need to protect juvenile witnesses' rights.

Your Committee has amended the bill by amending section 571-41 of the Hawaii Revised Statutes because the bill is related to procedural matters and to the conduct of the hearing rather than section 571-11 which is related to jurisdiction. Your Committee has further amended the bill by establishing a separate paragraph for clarity. These amendments were recommended by the Family Court.

The Committee intends that this bill shall not be interpreted to mean that the Family Court shall assign an attorney or pay for services of any attorney who attends a hearing as provided by this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 467, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 388 Judiciary on H.B. No. 800

The purpose of this bill is to amend section 580-56 of the Hawaii Revised Statutes, by conforming that section with statutory changes created by Act 200, Session Laws of 1976 (Uniform Probate Code). This bill will also extend the time period to resolve the reserved issues over the division of property in a divorce from one year to two years.

The Family Court has testified that since 1976, spousal rights in the property of the other spouse have been established. In addition, the extension of the time period from one to two years for the division of property where certain issues have been reserved will insure fairness when there is complex litigation over the division of property.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 800 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 389 Judiciary on H.B. No. 798

The purpose of this bill is to require a divorced spouse who is receiving support payments to notify the Family Court, which issued the order, and the former spouse upon remarriage of the receiving spouse. The bill also provides that all rights to receive and all duties to make payments shall automatically terminate upon remarriage unless there are specific provisions to continue payments after remarriage.

Under present law, the responsibility of initiating the action to terminate the support payments is placed on the divorced spouse making the payments. The Family Court testified in support of this measure as the present procedure has caused difficulties for the Family Court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 798 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 390 Judiciary on H.B. No. 1099

The purpose of this bill is to provide jurisdiction to the Family Court to hear violations of a domestic abuse protective order issued pursuant to chapter 586 of the Hawaii Revised Statutes.

Under present law, the Family Court may hear cases involving domestic abuse and issue domestic abuse protective orders as provided for under chapter 586. However, present law does not state which court has the jurisdiction of violations of such orders. Your Committee feels that it is proper that the court having jurisdiction to issue an order shall also have the jurisdiction to try a defendant charged with violating its own order.

Your Committee has heard testimony from the Family Court and Victim/Witness Kokua Services of the Honolulu Prosecutor's Office in support of this bill.

Your Committee has amended the bill in accordance with the recommendations made by the Family Court. We have substituted "to try" with the word "over" for the sake of clarity. We have also deleted "having his legal or physical custody" and replaced it with "legally charged with the child's care or custody" to clarify the jurisdiction of the Family Court in cases involving persons who are not legal parents or guardians but in fact have physical custody of the child. Your Committee feels that the term "physical custody" is vague and subject to conflicting interpretations and is not defined under present law. Therefore, the proposed language in the amended bill will limit the Family Court's jurisdiction to offenses allegedly committed by a parent or guardian or other person who is legally charged for the child's care or custody.

Your Committee has further amended the bill by substituting chapter 584 for chapter 579 on page 2, line 3, of the bill. Chapter 579 of the Hawaii Revised Statutes was repealed and its subject matter incorporated into chapter 584.

Your Committee has further amended the bill by making technical, nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1099, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 391 Consumer Protection and Commerce on H.B. No. 1201

The purpose of this bill is to provide that an industrial loan company's exclusive right to use names or titles using the term "finance", "financial", "industrial loan", or words of similar import, does not apply to such usage in academic degree or professional designations.

Supporting testimony was provided by the Hawaii State Association of Life Underwriters and Hawaiian Life Insurance Co., Ltd. The Department of Commerce and Consumer Affairs testified that they had no objection to the bill.

It does not appear that the Legislature intended to prohibit the use of the terms by persons who have earned and use professional designations such as "Certified Financial Planner" or "Chartered Financial Consultant".

A technical amendment has been made to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1201, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 392 Consumer Protection and Commerce on H.B. No. 913

The purpose of this bill is to permit industrial loan companies to sell any loan to any other company licensed by another state or the United States to make or service loans, and to permit industrial loan companies to enforce and collect interest on such loans.

GECC Financial Corporation and the Hawaii League of Savings Associations supported the bill. The Department of Commerce and Consumer Affairs had no objection to the bill provided the servicing of the purchased loans is maintained by a state or federally licensed lender in Hawaii. GECC objected to the inclusion of the condition requested by the Department of Commerce and Consumer Affairs inasmuch as millions of dollars of real estate loans are serviced by out-of-state firms.

Your Committee has amended this bill by providing that selling and servicing loans to and on behalf of out-of-state companies apply only to loans secured primarily by real property. Nonsubstantive amendments have also been made to correct bill-drafting and typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 913, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 393 Consumer Protection and Commerce on H.B. No. 876

The purpose of this bill is to delete the Hawaii Insurance Law provision which prohibits credit unions from providing group term insurance coverage in excess of \$4,000.

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

Presently, only 4 states, including Hawaii, limit insurance coverage on a credit union's group life savings coverage. This bill would permit any maximum coverage to be determined by the credit unions in accordance with realistic coverage requirements and benefits the credit union chooses to provide.

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. 876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 876, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 394 Consumer Protection and Commerce on H.B. No. 812

The purpose of this bill is to give the attorneys employed by the Department of Commerce and Consumer Affairs the same authority as the attorney general and director of consumer protection to investigate, resolve, and enforce matters of consumer protection.

The Department of Commerce and Consumer Affairs explained that the proposed amendments would enable its attorneys to informally resolve suspected violations, seek restitution on behalf of aggrieved consumers, and enter into consent judgments on complaints against unlicensed contractors.

Your Committee believes that this bill would provide for a more expeditious handling of complaints by the Department of Commerce and Consumer Affairs. Nonsubstantive amendments have been made to the bill for clarity and to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 812, H.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 395 Consumer Protection and Commerce on H.B. No. 811

The purpose of this bill is to amend The Hawaii Insurance Law relating to unfair practices and frauds to incorporate provisions on unfair competition and unfair and deceptive acts and practices of the model act adopted by the National Association of Insurance Commissioners in 1977 (revised 1979).

Testimony was provided by the Department of Commerce and Consumer Affairs and representatives of the Hawaii State Bar and insurance industry.

Highlights of the amendments include:

- 1) Integration of the Unfair Claims Settlement Practices Act into the body of the Unfair Practices Act;
- 2) Expansion of defined violations;
- 3) Strengthening of penalties; and
- 4) Formulation of penalties for violations of cease and desist orders.

Your Committee has made technical, nonsubstantive amendments for the purpose of style and utilizing correct Ramseyer bill drafting format.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 811, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 396 Consumer Protection and Commerce on H.B. No. 689

The purpose of this bill is to amend Section 26H-4, Hawaii Revised Statutes, by extending the Sunset Review of the Board of Elevator Mechanics for another six years to December 31, 1989.

Testimony in favor of the bill was given by the International Union of Elevator Constructors; the Department of Labor and Industrial Relations; Hawaii State, AFL-CIO; the Hawaii Building and Construction Trades Council, AFL-CIO; the Hawaiian Pacific Elevator Corp.; and the Elevator Mechanics Licensing Board.

Your Committee is aware of the need for competent elevator mechanics to service new and existing elevators in buildings in Hawaii. Your Committee has been informed that the International Union of Elevator Constructors has begun to take steps toward reactivating the formerly inactive Elevator Mechanics Licensing Board.

In order to give the newly elected officers of that union an opportunity to reactivate the Board, your Committee recommends a three year extension of time for repeal of the Elevator Mechanics Licensing Board.

Your Committee has therefore extended the Sunset Review of the Elevator Mechanics Licensing Board for another three years to December 31, 1986.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 689, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 689, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 397 Consumer Protection and Commerce on H.B. No. 688

The purpose of this bill is to amend 26H-4, Hawaii Revised Statutes, by extending the Sunset Review of the Board of Accountancy for another six years to December 31, 1989.

Testimony in favor of the bill was given by the Board of Accountancy which maintained that there is a continued need to regulate all persons professing to have professional competence to attest to the financial statements of individuals and/or private enterprises.

Further testimony in favor of the bill was given by the Hawaii Society of Certified Public Accountants.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 688, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 398 Consumer Protection and Commerce on H.B. No. 621

The purpose of this bill is to place speech pathologists and audiologists in compliance with Chapter 468E-8, Hawaii Revised Statutes, without the necessity of meeting the licensure requirements of that chapter for as long as they remain employed by the Department of Education and have been employed prior to the enactment of this bill.

However, the bill further provides that all speech pathologists and audiologists employed by state or county agencies other than the Department of Education shall comply with the license requirements of Chapter 468E-8 by December 31, 1984.

Testimony in favor of the bill was given by the Hawaii State Teachers Association, by the Hawaii Government Employees Association, and by the Department of Education.

Testimony against the bill was received from the Board of Speech Pathology and Audiology, the Hawaii Speech-Language-Hearing Association, Hui Olelo Hawaii, and the University of Hawaii. Numerous practicing speech pathologists and audiologists also gave testimony against the bill.

Your Committee is aware of the needs of the community and of the shortage of qualified

speech pathologists and audiologists. Nevertheless it also feels that all speech pathologists and audiologists should meet the same, nationally accepted, minimum requirements as set forth in Chapter 468E, Hawaii Revised Statutes.

Therefore, your Committee has amended this bill to provide that:

- (1) any speech pathologist or audiologist employed by a local or state government agency on September 1, 1981, shall be deemed to be in compliance with the licensure requirements without the necessity of the written examination and may practice speech pathology or audiology, as the case may be, after September 1, 1981, for the government agency as long as the person remains employed for that purpose by the government agency; and
- (2) the records of the board of speech pathology and audiology shall distinguish between those employees practicing speech pathology and audiology who are licensed in accordance with the provisions of Chapter 468E, and those who are deemed to be in compliance with the licensure requirements in accordance with subsection (b).

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 621, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 399 Consumer Protection and Commerce on H.B. No. 522 (Majority)

The purpose of this bill is to amend the definition of "no-fault benefits" as used in the law on motor vehicle accident reparations by substituting the term "his surviving spouse or dependents" for "his family", and by adding a new definition of "survivor".

Passage of the bill was supported by the Department of Commerce and Consumer Affairs and the Hawaii Insurers Council. A private attorney representing plaintiffs opposed the bill stating it was contrary to original legislative intent and a recent Hawaii Supreme Court decision.

The recent Hawaii Supreme Court decision, Hudson v. Uwekoolani, decided November 15, 1982, interpreted the no-fault law to require an insurer to pay the parents of a deceased child for the child's potential future earnings even though the parents were not dependent on the child. Your Committee feels that compensation for lost wages under no-fault should be limited to the surviving spouse and actual dependents.

Your Committee has made technical amendments to this bill to utilize correct Ramseyer bill drafting format and provide a savings clause.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 522, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 400 Consumer Protection and Commerce on H.B. No. 389

The purpose of this bill is to provide that when a check or draft is used to pay an industrial or small loan company on an installment loan a receipt need not be issued.

The Department of Commerce and Consumer Affairs and Hawaii Thrift and Loan were in favor of the bill's passage and submitted supporting testimony. Hawaii Thrift and Loan also indicated, upon questioning, that if customers pay by check or draft and still wanted a receipt, one would be issued. It was agreed that the bill be amended to reflect that agreement.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 389, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as H.B. 389, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 401 Consumer Protection and Commerce on H.B. No. 284

The purpose of this bill is to amend the commercial employment agencies law by clarifying the definition of "director" to mean the director of the Department of Commerce and Consumer Affairs instead of director of the Department of Regulatory Agencies, repealing the appeal board, and increasing the annual license fee from \$25.00 to \$37.00.

Your Committee finds that upon removal of the appeal board, an aggrieved person must resort to the circuit court since no provisions were made in the bill for administrative recourse. Therefore, your Committee has amended this bill to ensure that licensees' under Chapter 373, HRS, are afforded the same due process protection given to all other licensees pursuant to Chapter 91, HRS.

Your Committee has also made technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 284, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 402 Consumer Protection and Commerce and Judiciary on H.B. No. 684

The purpose of this bill is to amend the time in which a tenant can remedy any material noncompliance to Section 521-51, Hawaii Revised Statutes, and any breach of any rule under Section 521-52, Hawaii Revised Statutes, from the current 15 days to 10 days after the tenant's receipt of a notice.

Testimony in favor of the bill was given by the Office of Consumer Protection and by the Hawaii Association of Realtors who maintained that 10 days for a tenant to remedy material noncompliance or breach of rules is adequate and does not place an unreasonable burden on the tenant.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 684, and recommend that it pass Second Reading and that it be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 403 Consumer Protection and Commerce on H.B. No. 1340

The purpose of this bill is to allow those persons applying for a certificate of certified public accountant after December 31, 1983, the option of satisfying the provisions of section 466-5, Hawaii Revised Statutes, (1) by electing to complete not less than 30 semester hours of study in addition to those semester hours required for a baccalaureate degree at a college or university recognized by the board, or (2) by electing to complete an additional 3 years of professional experience in a public accounting practice.

Testimony in favor of the bill was provided by the Board of Accountancy, the Hawaii Society of Certified Public Accountants, and by a practicing accountant. All who testified supported the requirement of 30-credit hours of education beyond the baccalaureate degree.

They pointed out, however, that at the present time it is difficult for students to find appropriate courses so that they can comply with the requirement of 30-credit hours.

The Board supported the intent and purpose of the bill. It felt that practical experience in public accounting is a reasonable and viable alternative to the requirement of 30-credit hours.

Your Committee has made nonsubstantive changes to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1340, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 404 Health on H.B. No. 243

The purpose of this bill is to provide flexibility to decide in the best interest of the child when determining his or her surname upon legitimation.

Your Committee finds that pursuant to Act 153, Session Laws of Hawaii 1980, if parents of a child do not agree on a surname of a child born out of wedlock, the child shall take the surname of the father. In 1980, the Supreme Court of California overturned that state's preference for the father's surname in the selection of a child's surname. Although this decision is not binding under Hawaii law, the reasoning of the California court may provide the basis upon which Hawaii statutes may be reviewed. The constitutionality of these statutes is now being challenged, and your Committee feels that this bill would remove the basis for such action.

Your Committee further finds that a hostile relationship between the parents of a child often occurs when the child is legitimated under a court determination of paternity. The nature of this relationship leads to disagreement between the parents on various matters including the surname of the child. Subsequent inaction regarding the child's birth certificate means that on record the child does not have a father. The efforts of the Department of Health to update a birth certificate consumes a disproportionate amount of time and resources because it becomes involved in disputes between parents. The department has encountered 431 such cases thus far.

Your Committee feels that parental disputes about children, including the disputes over the surname of the child, should be resolved in the child's best interest and further believes that this bill provides for such a decision.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 243 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kiyabu.

SCRep. 405 Health on H.B. No. 245

The purpose of this bill is to align the statutory composition of the Board of Health with the reapportionment of the Senate into twenty-five districts.

The present statute stipulates that the Board of Health shall consist of eleven members, one from each Senatorial district and three at large. This requirement, which was enacted when there were only eight Senatorial districts, is invalidated by the reapportionment of the Senate into twenty-five districts. H.B. No. 245 would provide for the appointment of eleven voting members by the Governor provided that these members include at least one resident of each of the four major counties.

Your Committee on Health is in accord with the intent and purposes of H.B. No. 245 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kiyabu.

SCRep. 406 Housing on H.B. No. 710

The purpose of this bill, as received by your Committee, is to amend the eligibility requirements under Chapter 516, Hawaii Revised Statutes ("Land Reform Act") which lessees must meet in order to qualify to purchase the fee title to their leasehold property. This bill also amends the Hawaii Housing Authority's (HHA) administrative responsibility in determining a lessee's qualification, and prohibits information obtained by HHA from being discoverable or admissible in court proceedings.

Your Committee, fully cognizant of the legal challenges regarding the constitutionality of the Land Reform Act, has proceeded with caution on the proposed amendments. In view of the Legislature's desire for the conversion process to proceed as expeditiously as possible, amendments that clarify the current practices and promote consistency in the courts or are viewed as housekeeping measures should be enacted. Your Committee has therefore amended the bill in the following general respects:

- (1) deleted Section 1, the purpose section since it was no longer relevant to the bill as amended;
- (2) retained item 6 as it exists (page 2, line 14);
- (3) retained item 7 as it exists (page 2, line 17);
- (4) deleted proposed amending language to item 7 (page 3, lines 6-11);
- (5) added a new Section 2 to the bill amending Section 516-24, Hawaii Revised Statutes, to conform the Land Reform Act with other eminent domain actions;
- (6) amended Section 4 to provide that the bill will take effect upon approval; and
- (7) renumbered sections of the bill as appropriate.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 710, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 407 Housing and Judiciary on H.B. No. 708

The purpose of this bill is to amend the Land Reform Act by prohibiting any information which was prepared for preliminary negotiations between lessors and lessees on the purchase price of leasehold lots, from being used as evidence in any trial. The bill also seeks to clarify the role of the parties in eminent domain proceedings. The Land Reform Act provides a means by which lessees may purchase the fee simple interest in their lots.

Your Committees heard testimony both for and against the proposed amendments. Those representing lessors expressed concern about amending an act whose constitutionality is currently being addressed by the courts. Other testimony, representing lessees and the Hawaii Housing Authority, stated that the amendments were necessary to clarify and to encourage open, honest negotiations.

Your Committees find that the bill does not make substantive changes to the Land Reform Act, rather, it clarifies provisions to avoid inconsistent rulings or interpretations by the courts.

Your Committees note that the legislature, to effectuate the public purpose behind the Land Reform Act, has made numerous amendments to the law over the years during the pendency of court proceedings. In this instance, the bill will statutorily allow practices which the courts have allowed by interpretation. Your Committees believe that these clarifying amendments will not impact on or confuse the issue of the constitutionality of the Land Reform Act that is before the courts.

Your Committees amended the bill to more clearly delineate the parties to the eminent domain action brought under the chapter, designating the HHA as plaintiff and "all other necessary parties and lessees" as defendants. Your Committees intend "necessary parties" to refer to parties who have an interest in the residential house/lot, excluding mortgagees and lien holders having a security interest pursuant to a mortgage instrument. The bill was also amended to take effect upon its approval.

Your Committees on Housing and Judiciary are in accord with the intent and purpose of H.B. No. 708, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 708, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 408 Finance on H.B. No. 360

This bill establishes an emergency and budget stabilization fund to have some money set aside to take care of emergencies and to smooth out spending bumps which may be encountered in operating state government programs. Appropriations from this fund may be made only for limited purposes: to continue essential programs which have been victims of federal cutbacks; to pay off money borrowed at high interest rates; to provide for jobs programs in times of high unemployment; to provide services and restore facilities when natural disasters occur; and to meet other emergency needs.

The contradictory position that the State is in today amplifies the need for a fund such as this bill establishes. Previously, the State had experienced several good years in which revenues were much higher than expenditures, resulting in healthy surpluses. Pursuant to Article VII, section 6 of the State Constitution, these surpluses triggered the requirement that rebates be given to Hawaii's citizens. Today, however, revenues coming into the State coffers are lower than expected, and, to compound the problem, federal aid for many programs is being reduced. Thus, we find a situation where deep cuts have to be made in government services due to a lack of funds, while at the same time the State is obligated to give out some of these sorely needed funds in the form of a rebate due to surpluses experienced in prior years.

Had this fund been in existence several years ago, moneys could have been put aside during the "good years" and held in reserve for times like today. The funds then could be used to avoid the curtailment of government services and programs currently being contemplated. Such a fund also would have put us in a better position to meet the cleanup and restoration needs which arose in the wake of Hurricane Iwa.

A rebate may still have been required for this year, even if this fund had been in existence. However, we would not have been in the confusing position of having to deny the public government services because of a shortfall in tax revenues on the one hand and, on the other hand, having to return some of those tax revenues to the people.

Your Committee is aware that this bill will not rectify the situation we are in today. This unfortunate experience should teach us, however, that the State should not be put in this same position in the future. This bill would enable us to better meet unforeseen events in the future.

Your Committee has amended this bill by clarifying that the emergency and budget stabilization fund is to be a special fund. Your Committee has been advised that the establishment of a special fund, rather than a reserve within the general fund, minimizes any legal and accounting problems that may arise. Since it is to be a special fund, the bill has been amended to provide for appropriations from the general fund into the emergency and budget stabilization fund, rather than allowing the director of finance to transfer amounts into the fund. Further, appropriations from this fund would not be counted against the general fund expenditure ceiling, since it is not part of the general fund. Your Committee wishes to clarify, however, that any appropriations from the general fund into this emergency and budget stabilization fund will be counted against the expenditure ceiling.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 360, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 409 Finance on H.B. No. 551

The purpose of this bill is to change the method of applying interest on penalties and also to increase the interest due on overpayments and underpayments of taxes due.

Currently, the department of taxation imposes interest on penalties from the due date of the tax upon which the penalties were imposed, even though the penalties were imposed at some date after the tax was due. Thus, interest imposed on penalties for the period between the due date of the tax and the time the penalty was imposed seemed to be an additional penalty and not interest. This bill clarifies that interest on penalties begins accruing only from the date of notice and demand, if not paid within ten days of such notice and demand. Your Committee agrees that this is more equitable and conforms to the common notion that interest is the cost incurred for the use of money, and is not a penalty.

This bill also increases the interest rate payable on overpayments and underpayments of taxes due from 8% to 12% per annum. The 8% rate, which has been in effect since 1967, is unrealistic when compared with interest rates imposed by finance companies, banks, and the like for the use of money. As a result of such low interest rates on taxes due, it makes sense to some taxpayers to defer paying their taxes on which 8% interest would be due and utilizing the funds to invest at higher interest rates in the money market. Raising the interest rate to 12% acts as an incentive for both the taxpayer and the department to pay taxes due or make refunds on a timely basis.

Your Committee considered instituting a "floating interest rate" similar to that of the Internal Revenue Service, which provides for the interest rate to be adjusted semiannually according to changes in the average adjusted prime rate. While this method would more accurately reflect the going price for the use of money, your Committee is concerned about the administrative problems that may arise in the implementation of such a procedure. The department of taxation has indicated that, until its general excise and income tax divisions are more fully computerized, implementing and enforcing compliance under a floating interest rate system would impose administrative difficulties. Therefore, your Committee agrees that instituting a floating interest rate at this time would be unwise.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 551 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 410 Finance on H.B. No. 81

The purpose of this bill is to provide information to assist the department of taxation in enforcing the collection of general excise taxes.

It has long been thought that the State is losing large amounts of revenues due to out-of-state owners of real property failing to pay general excise taxes on rents collected. Testimony by the director of taxation indicates that the department has collected \$200,000 in revenues during the last year through the tedious process of going apartment to apartment and finding out who the owner was, then checking back through departmental records and private records to determine if the owner has paid the general excise taxes due, and then to collect such taxes. This bill will assist the department in collecting the taxes due on rental of real property by providing it with rent collection information. This bill requires that a copy of the first page of a rental agreement be filed with the department, or in lieu of these rental agreements, certain federal tax forms may be filed. Where there is an oral rent collection agreement, notification by an in-state rental collection agency is required. The information furnished to the department will include the name and address of the owner and the address of the place being rented, or in the case of the federal form the name and address of the person owner and the amount of rents collected. In addition, the bill requires oral notification or the written agreement to notify the owner of the rental property that the information required by the bill is being furnished to the department of taxation and that the owner must pay general excise taxes on the rents collected. Such notification in itself will greatly increase the collection of taxes through voluntary taxpayer compliance.

Your Committee finds that the enactment of this bill will bring to the State appreciable amounts of revenues.

Your Committee has amended this bill to provide clearly that it applies both to written and oral contracts and to specify the notification that must be given owners of rental property. Further, your Committee has amended the bill to provide that only the first page of a written agreement must be furnished, or in the alternative the federal forms must be supplied to the department of taxation. The Committee finds that the department does not need the whole rental agreement for the enforcement process and that such a requirement might be overburdensome to the private sector. Finally, your Committee has required the filing of the information required by the bill and notification to be made ninety days after its effective date in order to obtain information concerning on-going agreements.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 81, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 81, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 411 Finance 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 be on welfare in order to receive treatment for this costly disease. Present medical expenses average about \$10,000 per year per patient.

Your Committee finds that the potentially catastrophic financial impact upon persons for hemophilia-related medical care is similar to the financial costs incurred by persons afflicted with chronic renal disease. The department of health currently administers a program for providing financial assistance for persons suffering from chronic renal disease. Therefore, your Committee believes that, within financial resources available, the department should provide similar financial assistance to persons afflicted with hemophilia. In the event that the department chooses to contract with a private nonprofit organization, such contract should not include costs for administrative expenses.

Your Committee has amended the bill to correct typographical errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 114, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 114, H.D. 2.

Signed by all members of the Committee.

SCRep. 412 Finance on H.B. No. 314

The purpose of this bill is to allow the Hawaii Housing Authority (HHA) 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.

In 1982 the Legislature passed S.B. No. 2866-82, S.D. 2, which is substantially identical to this bill. Senate Bill No. 2866-82, S.D. 2, was vetoed by the Governor because its passage before the Supplemental Appropriations bill was deemed to be unconstitutional.

Your Committee finds that this bill can provide assistance in implementing the Land Reform Act of 1975. It establishes a "Fee Title Acquisition Loan Program" which would allow HHA to issue taxable securities, the proceeds of which will be used to purchase newly originated fee title acquisition mortgage loans from private lending institutions. This standby program can be used if and when the existing lending and secondary market mechanisms are unable to address the needs of the leasehold conversion program. It is not intended to compete with the existing lending institutions. Your Committee has been assured that HHA and the lenders must work cooperatively, since this program cannot begin 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. Mortgage lenders and HHA, as a team, represent the interface between the homeowners who are buying their fee interest and the bond investors who are supplying the necessary funds.

This program will not cost the State any money, nor will there be any impact on the State's financing abilities. All expenses will be financed by program revenues or bond proceeds.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 314 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 413 Finance 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 made by lessees no earlier than 180 days prior to the date of condemnation.

The Hawaii Housing Authority is currently authorized to require lessees applying to purchase the fee simple title to their residential leasehold properties to pay a deposit

to be used for appraisal, survey, and attorney costs incurred in the conversion process. HHA advances all the costs between the date of application and 180 days prior to condemnation. If some lessees withdraw their applications before the 180 days, the remaining lessees are left to absorb all the costs, including those incurred by those who withdrew their applications.

Your Committee believes the amendment proposes a fair and equitable response to the problem of cost advancement and cost allocation. It provides HHA with the flexibility needed to require all or a portion of the deposit at the time the application is submitted.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 316 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 414 Finance on H.B. No. 813

The purpose of this bill is to repeal the statute establishing the factory-built housing advisory board.

The factory-built housing advisory board was established in 1970 to periodically review rules relating to factory-built houses promulgated by the department and to recommend changes to those rules from time to time.

Upon enactment of the factory-built housing statute, the advisory board was consulted and, based upon its recommendations, rules on factory-built housing were promulgated by the department of labor and industrial relations in 1971. In 1980, the administration of the factory-built housing law was transferred from the department of labor and industrial relations to the department of commerce and consumer affairs. At that time, the department of commerce and consumer affairs reviewed the rules, found them to be adequate, and adopted them in 1981.

Over the past two years, the department found no need to consult with the board, and, therefore, no meeting of the board was called. Further, activity in factory-built housing has been minimal. Thus, in keeping with our policy of sunseting boards and commissions where the public health, safety, and welfare are not endangered, your Committee finds that this board does not warrant retention.

Should there be a need in the future to revise or update rules, the department may consult with architectural and engineering associations, building construction trades, and contracting and manufacturing industries.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 813 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 817 Finance 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 loan rate of 10 per cent.

Your Committee finds that the Hula Mae program has been very successful in assisting low and moderate income families to buy their first homes. However, during periods of high mortgage loan interest rates, the number of applicants who 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 is drastically reduced.

Your Committee believes that 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 has amended this bill to make minor technical changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 817,

as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 817, H.D. 1.

Signed by all members of the Committee.

SCRep. 416 Finance on H.B. No. 31

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

Your Committee finds that Act 34 of 1982 provided for an increase in the percentage factor used to calculate the income limits for multi-member households. As a result of this percentage adjustment, the income limits for multi-member households were raised by \$6,145. The single member household remained at 100% of the median income. This bill raises the percentage factor from 100% to 125% for a single member household, which is equal to an increase of the income limit by \$6,146. Your Committee believes that parity should be established among all households.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 31 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 417 Energy, Ecology and Environmental Protection on H.B. No. 249

The purpose of this bill is to clarify that the definitions of aquatic life and wildlife in Chapter 195D are consistent with other Sub-Titles of Title 12, Hawaii Revised Statutes (HRS). This bill also updates penalty provisions and provides for the revocation of permits issued pursuant to provisions of the Chapter.

Chapter 195D, HRS, was established by Act 65, SLH 1975. Except for Section 195D-5 which was amended by Act 17, SLH 1981, to correct an inconsistency with provisions of the Federal Endangered Species Act, no other amendments have been made to the Chapter. However, Act 85, SLH 1981, amended Sub-Titles 4 and 5 of Title 12, HRS, by providing definitions of aquatic life and wildlife, revoking permits for violations of terms and conditions for periods up to two years, and updating penalty provisions.

This has made the provisions of Chapter 195D inconsistent with other chapters of Title 12, resulting in confusion, misinterpretation, and misunderstanding. Therefore, H.B. No. 249 proposes to correct this situation.

Your Committee finds that the term "plant" as referred to in this bill is in need of further clarification. H.D. No. 249 has therefore been amended to make a distinction between "land plant" and "aquatic plant," which is part of aquatic life. Your Committee has inserted the word "land" with every reference to the word "plant" in this bill.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 249, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 418 Energy, Ecology and Environmental Protection on H.B. No. 270

The purpose of this bill is to amend Section 227-2, Hawaii Revised Statutes, to clarify the composition of the managing board of the Natural Energy Laboratory of Hawaii.

Your Committee finds that in 1982, the Legislature abolished the position of the Marine Affairs Coordinator, but did not amend other statutes in which the position is mentioned. Currently, Section 227-2, Hawaii Revised Statutes, continues to designate the Marine Affairs Coordinator as a member of the Natural Energy Laboratory of Hawaii's managing board.

H.B. 270-83 will create a "marine affairs advisor designated by the governor" in lieu of a "marine affairs coordinator." This bill will also clarify the managing board's composition and broaden the field from which appointments may be made by the Mayor of the County of Hawaii.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. 270, and recommends that it pass Second Reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 419 Corrections and Rehabilitation on H.B. No. 313

The purpose of this bill is to commit all persons who are sentenced to imprisonment to the custody of the Director of the Department of Social Services and Housing (DSSH).

Under present law, the court determines the initial place of confinement for persons sentenced to imprisonment for an indeterminate term. Furthermore, for persons sentenced to a definite term, the court designates the institution or agency to which he is committed for the entire term of his sentence.

Your Committee feels that the present law is inflexible by not allowing the Director of DSSH to move inmates with definite sentences. This occasionally places inmates in inappropriate housing either due to the court's commitment or the inmate's subsequent behavior.

Your Committee is in agreement that the Director of DSSH must be given the flexibility to transfer inmates within the corrections system. By allowing the director to place inmates in the most appropriate program available, he is better able to utilize his resources and provide for the safety of the staff and other inmates.

Your Committee has amended this bill by making a nonsubstantive, technical correction.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. 313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 313, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 420 Consumer Protection and Commerce on H.B. No. 1090

The purpose of this bill is to clarify that when holders of liquor licenses from different counties engage in a pool-buying transaction, the transaction is deemed complete when the products are delivered to the carrier.

The Retail Liquor Dealers Association testified that recently a problem had arisen when the Hawaii County Liquor Commission and Honolulu Liquor Commission conflicted in their determination of when a pool-buying transaction was deemed complete resulting in Hawaii denying the transaction and Honolulu accepting it. This bill will help avoid such future conflicts.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1090 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 421 Consumer Protection and Commerce on H.B. No. 281

The purpose of H.B. No. 281 is to increase from \$1,000 per violation to \$10,000 per day the civil penalty for violating, neglecting, or failing to conform to any order or rule of the Public Utilities Commission. Your Committee heard H.B. No. 281 on February 8, 1983 and decided not to pass the bill for Second Reading.

On March 7, 1983, your Committee heard H.B. No. 1204, "A BILL FOR AN ACT RELATING TO CORPORATIONS". The purpose of that bill is to permit a public utility corporation to sell par value stock for a consideration which is less than par value.

Testimony by Hawaiian Electric Company indicated that there may be conditions under which shares of a public utility corporation cannot be sold for par value. In those situations, the public utility corporation should be able to issue shares for less than

par value if the board of directors determines that it is necessary and if the prior approval of the public utilities commission has been obtained.

The accounting treatment of the issuance of par value stock at a consideration below par value would be similar to that which takes place when shares are issued at a discount. The amount of the par value of the shares would be entered into the capital stock account, whereas the common stock equity, whether the shares are preferred stock or common stock, would be reduced by the amount of the difference between the par value and the sales price. Thus, the resulting balance sheet of the corporation would not be misleading to investors or creditors.

The Department of Commerce and Consumer Affairs expressed some concern that proper disclosure be made to creditors and investors.

Based on the testimony at the hearing on H.B. No. 1204, your Committee has amended H.B. No. 1204 to provide that the issuance of par value stock at a consideration below par value be limited only to additional shares of outstanding preferred stock since this class of stock has a fixed dividend rate and would be the class of stock that would most likely not be able to be sold at par value. To address the concern of the Department of Commerce and Consumer Affairs, amendments have been made to require full disclosure on the utility's financial statement.

Since the bill only involves public utility corporations, your Committee feels that the new statutory language more appropriately belongs in chapter 269 and under a bill relating to public utilities. Accordingly, the substance of H.B. No. 1204, including the amendments discussed, have been placed in H.B. No. 281 in lieu of that bill's existing language.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 281, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 422 Consumer Protection and Commerce on H.B. No. 523

The purpose of this bill is to delete the requirement that after June 30, 1985, industrial loan companies must revert back to maximum interest rates in effect prior to June 1, 1980, and to clarify the method of computing interest on open-end loans.

Testimony supporting the bill was submitted by the Hawaii Bankers Association, the Hawaii Consumer Finance Association, and the Hawaii League of Savings Associations. Your Committee was assured that the higher current ceiling rate would not lead to abuse by industrial loan companies because the forces of market competition would dictate rates.

The Department of Commerce and Consumer Affairs testified against the bill, suggesting that the situation be reviewed in 1985.

Your Committee believes that the fluctuating financial market dictates that industrial loan companies have the flexibility to charge higher interest rates when prudent business administration so requires.

Your Committee has made non-substantive 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. 523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 523, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 423 Consumer Protection and Commerce on H.B. No. 527

The purpose of this bill is to permit industrial loan companies to collect a prepayment penalty on real property loan repayments in excess of 20% of the original principal

amount and made in any 12-month period. The prepayment charge would apply to loans of 5 years or more and not to adjustable, variable rate, or open-end loans.

Favorable testimony was provided by a director of the Hawaii Consumer Finance Association and the Department of Commerce and Consumer Affairs. The latter, however, suggested that amendments to be made to clarify that the prepayment penalty only apply to voluntary prepayments and not those made pursuant to an acceleration clause.

Your Committee has amended this bill to address the concerns of the Department of Commerce and Consumer Affairs and to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 527, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 424 Consumer Protection and Commerce on H.B. No. 1115

The purpose of this bill is to amend Section 407-95, Hawaii Revised Statutes, by raising the current maximum amount which a savings and loan association chartered by the State of Hawaii can invest in the obligations of service corporations from one per cent of the association's assets to ten per cent of the association's assets.

Testimony in support of the bill was given by International Savings and Loan Association and by Territorial Savings and Loan Association.

The Department of Commerce and Consumer Affairs testified that it was in favor of raising the percentage that a state-chartered savings and loan association may invest in service corporations to six per cent of the association's assets. It did not, however, support the ten per cent increase proposed in the bill. The Department was concerned about possible adverse effects such as undue concentration of resources, conflict of interest, or unsound or unsafe practices.

Your Committee is in accord with the Department's recommendations and has amended the bill to reflect an increase in the maximum amount a savings and loan association can invest in a service corporation from one per cent to six per cent of the association's assets.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1115, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 425 Consumer Protection and Commerce on H.B. No. 1587

The purpose of this bill is to add a new section to Chapter 281, Hawaii Revised Statutes, which provides that liquor wholesalers must order, purchase, and receive liquor from the primary source of supply for the brand of liquor sought to be sold. The bill further provides that no supplier shall solicit, accept, or fill any order for any liquor from any licensee authorized to import liquor into this State unless the supplier is the primary source of supply for the brand of liquor sold or sought to be sold. The penalty for violation of this section shall be the revocation of the license of the licensee for not less than six months.

Testimony in favor of the bill was provided by Better Brands, Ltd., the Wholesale Liquor Dealers Association of Hawaii, and the Distilled Spirits Council of the United States.

Testimony against the bill was given by the Liquor Dispensers of Hawaii.

Your Committee finds that the bill acknowledges the right of any manufacturer in a free market to select or to franchise wholesalers through which its products will be sold or distributed. We further find that the bill is not a franchise protection law, but that it permits franchises to exist as in the case of a free market. Your Committee

feels that this "primary source" law would encourage competition, prevent monopolies, facilitate tax collection, and facilitate liquor control.

Your Committee has made nonsubstantive changes to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1587, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 426 Consumer Protection and Commerce on H.B. No. 95

The purpose of this bill is to set a statutory minimum benefit ratio relating to Medicare supplement insurance and to provide the Insurance Commissioner with the mechanism to monitor company results and order the rebate of premiums, where appropriate.

Testimony in favor of the intent of the bill was given by the Department of Commerce and Consumer Affairs and by the Hawaii Medical Service Association, both of which recommended amendments regarding the minimum benefit ratio.

Testimony against the bill was given by the Hawaii Business League, the Health Insurance Association of America, and Mutual of Omaha.

Being cognizant of and sensitive to the issue of health insurance in Hawaii, your Committee has amended the bill to reflect the following:

- (1) The minimum benefit ratio shall be based on the percentage of claims incurred of the total premium dollars received for a type of medicare supplement policy.
- (2) The minimum benefit ratio shall be 85% averaged over the prior 3 years.
- (3) Each insurer of a type of medicare supplement policy shall provide the insurance Commissioner with certified data concerning the premiums received and claims incurred for each type of medicare supplement policy sold by the insurer for the previous year. The data shall be supplied within 120 days after the end of the year to which it applies.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 95, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 95, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 427 Consumer Protection and Commerce on H.B. No. 768

The purpose of this bill is to amend the laws on motor vehicle accident reparations to delete the provisions for an interim allocation of burdens.

In 1973 the laws on motor vehicle accident reparations were enacted. One provision of these laws required the insurance commissioner to adopt, within 2 years, a system of proportionate reimbursement among insurers and self-insurers for payment of losses. The commissioner has since promulgated regulations to address the allocation of such burdens. Therefore, it is now appropriate to delete the statutory interim provisions. The Department of Commerce and Consumer Affairs and The Hawaii Transportation Association support these changes.

Technical amendments have been made to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 768, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 428 Judiciary on H.B. No. 1417

The purpose of this bill is to create a new chapter to be designated the child protective act to safeguard, treat and provide permanent planning for children who have been harmed or threatened with harm.

Present law limits the jurisdiction of the court to those children who have been abused and neglected and does not offer protection to children who may be at risk, even within the same family. In instances of serious abuse to one child in a family, siblings are not afforded legal protection because the child's situation does not presently come within the jurisdiction of the court. Moreover, this bill seeks to clearly define the type of injury or harm which will bring a child within the jurisdiction of the Court.

Your Committee has received testimony from the Family Court Division of the Hawaii State Judiciary, the State Attorney General, the Department of Social Services and Housing, the Honolulu Police Department and several other interested parties in support of this bill.

Your Committee finds that children deserve and require competent and responsible parenting and safe and secure homes which provide love, concern, stability, continuity and predictability. The legislature finds that children who have been harmed or threatened with harm are less likely than other children to realize their full educational, vocational and emotional potential and become law-abiding, productive, self-sufficient citizens and are more likely to become involved with the mental health system, the juvenile justice system and the criminal justice system as well as become an economic burden on the state. Your Committee finds that prompt identification, reporting, investigation, adjudication, treatment and disposition of cases involving children who are harmed or threatened with harm is in both the children's and society's best interest because those children are defenseless, easily exploited, vulnerable and in their formative years.

Your Committee finds that the immediate establishment of the child protective act is imperative. This Child Protective Act is intended to provide children prompt and ample protection from the harms as defined therein, to provide an opportunity for timely reconciliation of children with their families where practicable and to provide timely and permanent planning for children so they may develop and mature into responsible, self-sufficient, law-abiding citizens. It is recognized that this permanent planning should be with a child's own family whenever possible and conducted in a timely fashion so that where return to the child's family is not possible as provided in this Act, those children will be promptly placed with responsible, competent, substitute parents and families and be implemented and monitored; and if it is determined that return to the child's family is not in the best interest of the child, and if no other satisfactory option is available, every attempt shall be made to secure prompt and permanent placement of the child with responsible competent substitute parents and families.

It is not your Committee's intention to construe the provisions of this bill in a manner that will impose upon or abridge in any way the beliefs and practices of traditionally established and recognized religious organizations.

Your Committee has adopted the recommendations of the Family Court Division of the State Judiciary and the Attorney General by amending this bill as follows:

1. Various amendments have been made to the definitions that provide for clarification, modification of the Court's powers, delegation of duties and responsibilities by the Court to the Department, procedures for the return of children to their families without the necessity of a court order, and other clarification and correction.
2. To provide a procedure for the voluntary establishment of foster custody or for voluntary submittal to supervision by the Department or another agency prior to initiation of judicial proceedings.
3. To delete the requirement that a police officer assume protective custody of a child upon request by the Department in order to allow them to retain their discretion in the evaluation of cases under this bill. The Department may then assume foster custody without court order only when the police have relinquished custody of a child to it.
4. The appointment and retainage of guardian ad litem and counsel for children has been clarified. The Court has also been authorized to recover guardian

ad litem and counsel expenses that would otherwise be borne by the Court and/or the Department.

5. To clarify the procedure for the admission of testimony of children at judicial proceedings.
6. To clarify the standard that must be met when a proceeding may be heard by the Court without the presence of the child's legal custodian.
7. To establish an evidentiary basis for orders issued pursuant to adjudicatory hearings.
8. A new section has been added to prevent the Department from incurring financial obligations because of its responsibilities created under this bill, which it cannot meet under its budget constraints.
9. A new section has been added to permit modification of the Act for the purpose of retaining or obtaining federal aid for the funding of the duties and responsibilities under the Act.

Your Committee has also amended other sections of the Hawaii Revised Statutes which are affected by the enactment of this bill.

Numerous other technical and non-substantive changes have also been made for conformance with Ramseyer and other drafting conventions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1417, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 429 Human Services and Judiciary on H.B. No. 322

The purpose of this bill is to make it possible for a child's paternity to be established any time to age of majority and three years thereafter.

Under present law, a child born out of wedlock is denied his rights to support, legitimization, and ties with his natural father three years after his birthdate. This also reduces the ability to adjudicate paternity cases, causing an increase in welfare expenditures when the natural parent of the child should be responsible for its support.

Your Committees have heard testimonies from the Honolulu Corporation Counsel, the Maui Corporation Counsel, the Department of Social Services and Housing, and the Family Court who stated that the present 3-year statute of limitations is unduly restrictive. Other states have held that laws which discriminate against illegitimate children are in violation of the Equal Protection Clause of the U.S. Constitution. State law presently grants legitimate children a judicially enforceable right to seek support from their natural fathers at any time during their minority. Illegitimate children should be entitled to the same rights as legitimate children. The three year period after majority is to afford illegitimate children reasonable time to pursue their claims upon reaching majority.

Your Committees recognize the concern in discouraging or barring stale or fraudulent claims. However, testimonies were presented that significant scientific advances in the fields of blood testing and genetics have been made which provide a high level of accuracy in excluding paternity.

Your Committees have amended the bill by adopting the recommendations of the Honolulu Corporation Counsel and deleting "by one other than the alleged or presumed father" in lines 21 and 22 of page 2 of the bill, inserting "or mother" after the word "father" in line 23 of page 2 of the bill, and substituting "said person" for "him" in line 1 of page 3 of the bill.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H. B. No. 322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 322, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 430 Energy, Ecology and Environmental Protection and Education on
H.B. No. 73

The purpose of this bill is to exempt certain curricular and extracurricular activities which occur on school campuses from the noise control rules of the Department of Health.

Your Committees find that participation in extracurricular social and athletic events and instruction in technical trades and music afford students the opportunity to expand their experiences. These activities allow students to participate in a variety of educationally and socially enriching experiences in a campus environment. These activities however, may be louder than the allowable levels established by law. Consequently, many of these school-related activities are in danger of being prohibited.

Your Committees are in accord with the purpose of this bill which attempts to balance the social benefits of school activities with the concerns of persons living adjacent to schools. Reasonable noise regulation is important to the maintenance of a healthful environment. However, your Committees believe that a student must be offered the opportunity to engage in wholesome school activities with the utmost enthusiasm. The lack of activities or the curtailment of participation in the activities will have a detrimental effect upon the development of a student.

Your Committees have amended H.B. No. 73 by deleting the unnecessary and contradictory phrase: "No rule adopted by the director under section 342-42 shall be contrary to this section. If any rule existing on the effective date of this Act is contrary to this section, the rule shall be void; provided that" on page 3, line 20. Thus, the remaining phrase will begin a new sentence: "Any school which exceeds applicable noise standards must file a plan for noise abatement with the Department of Health."

Your Committees on Energy, Ecology, and Environmental Protection and Education are in accord with the intent and purpose of H.B. No. 73, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 73, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 431 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 258

The purpose of this bill is to amend Section 171-6, Hawaii Revised Statutes, in order to give the Board of Land and Natural Resources the power to prohibit entry upon such public lands and for such periods of time as may be designated by the Board for the purpose of preserving indigenous aquatic, plant or wild life or preserving the environment. Publication of the Board's intent to prohibit entry would be required as well as the posting of appropriate signs prohibiting entry around the affected area.

According to testimony, there is a need to control the spread of non-indigenous plants or wildlife into public lands, to discourage illegal crops such as marijuana on public lands, and to enable preservation of an environment which is threatened by heavy or harmful use.

Minor and non-substantive amendments have been made. One, in particular, is the specification that public hearings should be conducted in accordance with procedures under Section 91-3, Hawaii Revised Statutes.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 258, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 432 Housing on H.B. No. 1232

The purpose of this bill is to clarify the existing statute which allows the Hawaii Housing Authority (HHA) to submit to the appropriate county legislative body preliminary plans and specifications for housing projects, in order for HHA to obtain exemptions from zoning and construction standards.

Currently, under Section 359G-4.1, Hawaii Revised Statutes, HHA is allowed to seek

from county legislative bodies exemptions from the zoning and construction standards for housing projects developed by, or with, the assistance of HHA. In order to gain these exemptions, the current statutory language may be interpreted to mean that HHA must submit to the appropriate county legislative body not only preliminary, but final plans and specifications, for a development project.

Your Committee heard testimony from HHA and Oceanic Properties that this interpretation has raised considerable concern among private developers (who do the majority of HHA's housing projects) and HHA. A requirement for submittal of final plans to the county legislative body for approval, in addition to submittal of preliminary plans, necessitates the expenditure of a considerable amount of money, with no assurance to HHA or the developer that the project will be approved. The role of the county legislative body under section 359G-4.1 is to deny approval of the requested exemptions by denying approval of the project (a project is deemed approved if the county legislative body does not disapprove a project within a given time period).

This bill in no way is intended to circumvent the requirement that final plans and specifications must be submitted to the appropriate county agencies for review and approval. However, with regard to the county legislative body, preliminary plans would be sufficient for council members to make a determination on whether or not the subject project should be exempted from certain zoning and construction standards.

Your Committee amended the bill to ensure that if changes involving the exemptions are made to the preliminary plans, review and approval by the county legislative body would be required.

Your Committee also amended the bill by adding a new subsection which states that the counties may adopt rules regarding this section. Your Committee believes that the technical aspects which may be necessary for implementation of the provisions of the section should be developed by the counties if they deem it necessary.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1232, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 433 Consumer Protection and Commerce on H.B. No. 713

The purpose of this bill is to permit Hawaii corporations to pay dividends from capital surplus or paid-in surplus.

Presently, corporations may pay dividends only from current profits or retained earnings. In years where a corporation makes no profit and has no retained earnings, no dividends can be paid unless the corporation reduces its capital - a cumbersome process.

Castle & Cooke, Inc. and the Department of Commerce and Consumer Affairs testified and suggested some revisions to the bill.

After consideration of the testimony, your Committee has amended this bill to apply to payment of dividends from capital surplus only and not paid-in surplus, define the terms "capital surplus" and "insolvent", and to otherwise clarify language.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 713, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 434 Consumer Protection and Commerce on H.B. No. 914

The purpose of this bill is to delete references to the law on retail installment sales from the laws on industrial loan companies.

Although the 1981 Legislature amended the industrial loan company law (chapter 408)

to provide that the retail installment sales laws (chapter 476) were inapplicable to loans made by industrial loan companies, not all references to chapter 476 were deleted from chapter 408. This bill clarifies the law by making the deletions, and is supported by testimony from GECC Financial Corporation, the Department of Commerce and Consumer Affairs, and the Hawaii Bankers Association.

Your Committee has made technical amendments to this bill for clarity in bill drafting and to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 914, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 435 Consumer Protection and Commerce on H.B. No. 1028

The purpose of this bill is to permit the Governor to impose a freeze on the mark-up on the sales prices of certain commodities during state disasters.

The Hawaii Food Industry Association and the Office of Consumer Protection supported the bill, the latter suggesting amendments.

The suggested amendments include prohibiting an increase instead of imposing a freeze (to permit decreases if merchants desire), requiring the affected commodities to be specified in the proclamation declaring the disaster, and redefining "mark-up" to mean the percentage of sale price over cost.

Your Committee recognizes the need to prevent price gouging by merchants when consumers are placed in a helpless situation during disasters. Amendments have been made to this bill in accordance with the suggestions by the Office of Consumer Protection.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1028, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 436 Consumer Protection and Commerce on H.B. No. 1243

The purpose of this bill is to allow the liquor commission to issue licenses according to the category of establishment the licensee owns and operates. The categories of establishments include:

- (1) A standard bar;
- (2) A premise in which a person performs or entertains unclothed or in attire restricted to use by entertainers pursuant to commission rules;
- (3) A premise in which live or recorded music is played and in which facilities for dancing by the patrons are provided; or
- (4) A premise in which employees or entertainers are compensated to sit with patrons whether or not the employees or entertainers are consuming non-alcoholic beverages while in the company of such patrons.

Testimony in favor of the bill was received from Liquor Dispensers of Hawaii. Late written testimony in favor of the bill was submitted by the Liquor Commission.

Your Committee has amended the bill to clarify the definition of the class of dispenser license listed under Section 281-31 (e)(4), Hawaii Revised Statutes, so that managers, owners, and entertainers who sit with customers for purposes of socializing only, will not be included in the definition of the class referred to in that section.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1243, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 437 Consumer Protection and Commerce on H.B. No. 1602

The purpose of this bill is to clarify that industrial loan companies may engage in consumer and commercial leasing.

Leasing has recently become a popular and viable method of acquiring property under a method which affords many tax benefits and little initial cash outlay. Servco Financial Corporation testified that some industrial loan companies currently lease under authority of their general corporate powers.

Your Committee believes that this bill will clarify that industrial loan companies do have the power to lease.

Your Committee has made a technical correction to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1602, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 438 Judiciary on H.B. No. 201

The purpose of this bill is to provide for the continuance of a cause of action after the death of a plaintiff who maintains an action as provided for under section 663-3 of the Hawaii Revised Statutes.

Under present law, there is no provision for the continuance of a cause of action in a wrongful death action after a plaintiff dies. There are, however, provisions to permit an action to continue after the death of the injured person where the action arises out of a wrongful act, neglect or default, where the wrongdoer dies or where the wrongdoer dies after an action has been filed against him.

This Committee finds that it is especially harsh in situations involving the death of both husband and wife, or other situations where the legal representative is also severely injured in the same occurrence and dies subsequently. This bill will be in keeping with the original intent of the survival statutes.

Your Committee has amended the language of the bill to provide clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 201, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 439 Judiciary on H.B. No. 324

The purpose of this bill is to enable the Family Court to assume jurisdiction over children who face harm and threatened harm and over children who may be physically removed by the child's parents to avoid court jurisdiction.

Under present law, the Family Court may act to remove a child who has been abused and neglected, but the court has no legal authority to remove the child's siblings who are at risk of suffering similar harm until they have actually been harmed.

Your Committee has received testimony from the Family Court, the Office of Children and Youth, the Junior League of Honolulu, Inc., and the Christian Science Committee on Publication for the State of Hawaii in support of this bill. Your Committee recognizes the concern expressed by the Christian Science Committee regarding a child receiving Christian Science treatment who may be adjudged to be harmed or threatened with harm. It is not the intent of your Committee for the state to interfere with a person's religious beliefs or spiritual practices so long as the child receiving spiritual treatment is not in fact harmed or threatened with harm pursuant to the intent and purpose of this bill.

Your Committee has amended this bill in accordance with the recommendations made by the Family Court. The word "or" was added to page 5, line 11, of the bill; the brackets and proposed semicolon were retained on page 5, line 21; and the brackets removed and the word "or" retained on page 6, line 4. These amendments pertain to section 571-11(2) of the Hawaii Revised Statutes, which refers to situations over which the Family Court has exclusive jurisdiction.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 324, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 440 Judiciary on H.B. No. 576

The purpose of this bill is to provide that a person commits the offense of promoting gambling in the first degree if he knowingly advances or profits from gambling activity by receiving or being owed a debt of more than \$1,000 in any one day of money played in connection with a lottery, mutuel, or other gambling scheme or enterprise.

Under present law, a law enforcement office must witness the physical transfer of money or property from one person to another before the case can be prosecuted. This bill will enable the officer who confiscates bookmaking records pursuant to search warrants to arrest the bookmaker whose winnings exceed \$1,000 in any one day.

Your Committee has received testimony from the Honolulu Police Department in support of this bill and agrees that this bill will enable law enforcement officers to pursue and arrest persons who are promoting gambling.

Your Committee has amended the bill by clarifying the language.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 576, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 441 Judiciary on H.B. No. 608

The purpose of this bill is to provide either spouse, as agents for the owners of the community property, the same right to receive, manage, control, dispose of, and otherwise deal with their community property as though it were their separate property respectively. The bill will also clarify the responsibility of both spouses to support one another and their family.

This bill does not create substantive changes under present law. However, your Committee feels that there is need to clarify the rights of both parties to manage and control their properties.

Your Committee has received testimony in support of the bill from the Commission on the Status of Women, who advocate efforts to remove the explicit statutory discriminations concerning property ownership and control.

Your Committee has amended the bill by making technical, nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 608, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 442 Judiciary on H.B. No. 799

The purpose of this bill is to amend section 571-54, Hawaii Revised Statutes, by extending the time period for filing a motion for reconsideration from ten days to twenty days from entry of an order or decree being appealed. In addition, this bill will also eliminate notification of the Attorney General and Prosecuting Attorney when a motion for reconsideration is filed.

The Family Court has testified that this bill is necessary to conform the present law with the Family Court Rules which now provide a twenty-day limit for a motion for reconsideration.

The Family Court has also testified that notification of the Attorney General and Prosecuting Attorney is not necessary when a motion for reconsideration is filed since they represent the State.

Your Committee has amended the bill by making a technical, nonsubstantive change.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 799, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 443 Judiciary on H.B. No. 1118

The purpose of this bill is to amend section 91-3, subsections (a) and (d) of the Hawaii Revised Statutes, so that a notice for public hearing will include the subject of a proposed rule rather than the substance.

Your Committee has received testimony from the Department of Social Services and Housing and the Office of the Attorney General in support of the bill and from the Legal Aid Society in opposition to the bill.

The Hawaii Supreme Court in Costa v. Sunn, 64 Haw. 389, (1982), has ruled that a statement of the substance of a proposed rule must include an intelligible abstract or synopsis of its material and substantive elements. There is difficulty, however, in determining which substantial elements should be included. Presently, all detailed elements are being included in a notice of proposed rule change by the Department of Social Services and Housing.

Testimony from the Department of Social Services and Housing states that the printing costs are excessive. In addition, this detailed notice has not resulted in greater public interest. The Department of Social Services and Housing also testified that public hearing notices for proposed changes in the law by the State House of Representatives and Senate are listed only by bill number and title. Since promulgation of agency rules is a quasi-legislative process, public notices of proposed rule changes should follow the legislative type of notice.

Your Committee notes that both House and Senate provide to the public copies of the proposed changes in the law at no cost to the public. While your Committee agrees with the Department as to the content of hearing notices, your Committee also intends that agencies promulgating rule changes make proposed rule changes available to the public at no cost.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1118 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 444 Judiciary on H.B. No. 796

The purpose of this bill is to enable the chief justice of the supreme court to assign a district judge of the district court to act as a district family judge within that circuit and to assign any district judge or district family judge of any circuit to serve temporarily in the circuit family court of any other circuit.

The Family Court has testified in support of this bill. The volume of cases in the Family Court of a given circuit often exceeds the capacity of the judges of that circuit; and on certain occasions, all of the family court judges and district family court judges of a given circuit may be disqualified from hearing a certain case. This bill will clarify that any district judge or district family judge may be assigned temporarily to the family court of another circuit.

Your Committee has made technical corrections to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 796, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 796, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 445 Finance on H.B. No. 179 (Majority)

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.

The high use of traps in contemporary fishing practice results in a problem which this bill attempts to solve.

Your Committee is aware that the proposed prohibition of the use of any type of trap, which is not constructed or fitted with at least one opening or device allowing fish or other aquatic life means of escape, may cause unintended hardship for many of the trap fishermen. However, your Committee agrees with the overall intent of this bill.

Your Committee has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 179, H.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 179, H.D. 2.

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

SCRep. 446 Finance on H.B. No. 61

The purpose of this bill is to amend the Hawaii Wage and Hour Law to exclude from the definition of "employee" certain individuals receiving guaranteed compensation and automobile salespersons.

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.

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. Therefore, your Committee has amended Section 1, page 1, line 5 of the bill to delete \$700 and substitute \$1,000. Your Committee believes that a car salesperson should be exempted from the wage and hour law and its overtime provision.

Your Committee has amended this bill to correct drafting errors and made technical, nonsubstantive changes for clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 61, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 61, H.D. 2.

Signed by all members of the Committee.

SCRep. 447 Finance on H.B. No. 212

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the fiscal biennium 1983-85.

Fund authorizations and appropriations by the legislature are necessary, in accordance with HRS 89-10(b), to cover the expected cost of implementing collective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1983.

Your Committee has amended this bill to include collective bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 13 and to appropriate moneys for the purposes of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 212, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 212, H.D. 1.

Signed by all members of the Committee.

SCRep. 448 Finance 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 agrees that the fee schedule for these professions should 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 has amended this bill to change the effective date to September 1, 1983, to allow for the adoption of rules relating to fees for undertakers, embalmers, and funeral directors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 244, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 244, H.D. 1.

Signed by all members of the Committee.

SCRep. 449 Finance 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.

HRS 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. HRS 89C-5 further stipulates that any such adjustment which constitutes cost items shall be subject to appropriation by the legislature.

Your Committee has amended this bill to appropriate moneys for its purpose.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 223, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 223, H.D. 1.

Signed by all members of the Committee.

SCRep. 450 Finance 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; (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.

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. This bill would define a shortage in terms of a gap between supply and demand over a wider range of petroleum products.

Your Committee 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, the State must establish its own statutory basis for an emergency set-aside system.

Your Committee has amended this bill to make technical changes and to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 267, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 267, H.D. 2.

Signed by all members of the Committee.

SCRep. 451 Finance 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.

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 policies and priority directions in the Hawaii State Plan which addresses 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.

Your Committee has changed the effective date of this bill to July 1, 1983.

Your Committee also made technical, non-substantive amendments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 268, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 268, H.D. 2.

Signed by all members of the Committee.

SCRep. 452 Finance 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.

Your Committee has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 286, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 286, H.D. 2.

Signed by all members of the Committee.

SCRep. 453 Finance 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 has amended this bill to change the effective date to include taxable years beginning after December 31, 1982.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 329, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 329, H.D. 1.

Signed by all members of the Committee.

SCRep. 454 Finance on H.B. No. 393

The purpose of this bill 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 State Constitution.

Your Committee shares 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.

In accordance with these concerns, this agricultural land study commission is established to study and recommend agricultural production goals for the State and a land classification system or process to identify important agricultural lands.

Along with some technical changes, this bill has been amended by deleting all the provisions amending existing statutes and regulatory processes. In doing so, your Committee wishes to emphasize that it is very much concerned about the possibility of abusing the period prior to the completion of the study and the adoption of legislation. Your Committee is reminded of the flood of applications to vest development interest prior to the anticipated adoption of the City and County of Honolulu development plans. The same may occur during the time that the agricultural study commission is performing the study and developing its recommendations. The result may be that much of our prime agricultural lands maybe taken out of agricultural uses for other development before the legislature can intelligently adopt a studied plan for agricultural lands. House draft 1 of this bill addressed these concerns by placing statutory constraints upon the land use commission and county planning and zoning bodies during this period.

Your Committee recognizes, however, that such specific constraints will generate immense controversy and detract from the primary purpose of this bill, which is to establish the study commission and commence the work that is long overdue.

Your Committee therefore appeals to the land use commission and the county planning and zoning bodies to be cognizant of the importance placed upon prime and important agricultural lands by the people of this State, as evidenced by the State Constitution and the Hawaii State Plan. These bodies are urged to comply fully with the intent of the State Constitution and the State Plan, and the spirit in which this bill is recommended. All applications brought before these bodies which would affect our agricultural lands should receive the utmost attention, and these bodies should restrain themselves from any actions which would deplete the lands available for agricultural pursuits in our State until such time as the legislature adopts the standards, criteria, and procedures for conservation and protection of agricultural lands.

With this appeal, your Committee recommends passage of this bill in its amended form.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 393, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 393, H.D. 2.

Signed by all members of the Committee.

SCRep. 455 Finance on H.B. No. 663

The purpose of this bill is to provide notice to victims and prosecution witnesses of crimes against the person, as defined in the penal code, or of attempts to commit such offenses, and that such notice be given only to those victims and prosecution witnesses 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.

Your Committee finds that the inclusion of prosecution witnesses may not be within the purview of this bill which relates to victims. To conform to the title of the bill, your Committee has amended the bill by making technical amendments and deleting all references to witnesses.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 663, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 663, H.D. 2.

Signed by all members of the Committee.

SCRep. 456 Finance on H.B. No. 662

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.

Your Committee approves the recommendation that the department of economic development become the agency responsible for this program.

Your Committee has deleted the appropriation provisions and has made other technical, non-substantive amendments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 662, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 662, H.D. 2.

Signed by all members of the Committee.

SCRep. 457 Finance 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 finds that the state health planning and development agency is the appropriate agency to review health care costs and therefore has amended this bill by adding the new part to chapter 323D. Your Committee has also amended the bill by deleting the phrase "shall have the authority to" on line 8 of page 3 and adding the word "may".

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 651, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 651, H.D. 1.

Signed by all members of the Committee.

SCRep. 458 Finance on H.B. No. 761

The purpose of this bill 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 members 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 has amended this bill to correct non-substantive errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 761, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 761, H.D. 1.

Signed by all members of the Committee.

SCRep. 459 Finance 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 of its health care facility and to assist Kaiser Foundation in constructing the second phase of its new facility at Moanalua.

Queen's Medical Center's approved construction project was originally to be financed through \$80 million in previously issued special purpose 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 special purpose revenue bonds to make up the \$19 million in reserves that it had intended to use for this project.

The issue of this \$20 million in special purpose revenue bonds will not significantly increase the total indebtedness of Queen's Medical Center.

This bill also authorizes the issuance of \$22 million in special purpose revenue bonds for Kaiser Foundation for the construction of the second phase of a new facility at Moanalua.

Your Committee has amended this bill to reflect changes recommended by the State's bond counsel.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1151, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1151, H.D. 2.

Signed by all members of the Committee.

SCRep. 460 Finance on H.B. No. 1207

The purpose of this bill is to amend Section 10-3, Hawaii Revised Statutes, to make the section conform 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 from the public land trust fund. Section 10-3, Hawaii Revised Statutes, specifies that the proceeds and income derived from lands conveyed by Sections 5(b) and 5(e) of the Admission 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.

Requirements of the State Constitution set forth lands conveyed to the State by the Admission 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. The net effect of the bill would be to assign additional revenues to the public land trust, and would result in additional revenues to OHA under its entitlement.

Your Committee has amended the moneys appropriated to be changed to \$100,000 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 has further amended the bill by making minor grammatical and technical changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1207, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1207, H.D. 2.

Signed by all members of the Committee.

SCRep. 461 Finance on H.B. No. 1399

The purpose of this bill is to better utilize Hawaii's available resources and to create employment opportunities for Hawaii's residents, and with new approaches to accelerate utilization of Molokai's available and affordable natural products.

Hawaii's highest unemployment rate, coupled with Hawaii's highest energy charges, burdens Molokai's residents. The increased growth of forest products for fuel could provide employment for Molokai residents and accelerate the utilization of Molokai's available and affordable natural products. The increased growth of forest products will be encouraged by establishing a State forest lands management program with emphasis on planting and harvesting species known to be suitable for energy production.

Your Committee has amended the bill by appropriating \$25,000 out of the general revenues of the State for a State forest lands management on Molokai.

Your Committee has also made minor grammatical and technical changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1399, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1399, H.D. 2.

Signed by all members of the Committee.

SCRep. 462 Finance 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.

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.

This bill provides for administrative penalties on violators of Chapter 144, Hawaii Revised Statutes.

Your Committee has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 42, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 42, H.D. 2.

Signed by all members of the Committee.

SCRep. 463 Finance 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 and research activities may be undertaken.

By executive order the Governor in 1982 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. This bill amends sections 26-16 and 141-2, Hawaii Revised Statutes, to reflect this change.

Your Committee has amended the provision relating to the department's rulemaking powers relative to agricultural product promotion and research. The department's authority to adopt rules should be commensurate with its responsibilities in carrying out agricultural product promotion, and not limited to the process of allocating funds. Further, your Committee believes that, while coordination of activities with the Governor's Agricultural Coordinating Committee (GACC) is commendable and necessary, the ultimate responsibility for agricultural product promotion lies with the department. Therefore, to promote accountability and to ensure that the department will not be hampered in fulfilling its responsibilities, the requirement that GACC be intimately involved in the rule making process has been deleted.

Other minor technical amendments have been made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 43, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 43, H.D. 2.

Signed by all members of the Committee.

SCRep. 464 Finance on H.B. No. 287

The purpose of this bill is to clarify and update the regulatory laws relating to boxing.

A number of changes are being made to Chapter 440, Hawaii Revised Statutes, to reflect current practices in the game of boxing and in boxing regulation. Minor language amendments, including the elimination of references to gender, have been made.

This bill requires that applicants for promoters' licenses provide certain specific information to the boxing commission, primarily evidences of financial integrity. The amount of the surety bond required of the applicant is also raised from \$2,000 to \$5,000. Further, any amount of surety bond forfeited because of failure of performance by the promoter may be awarded to those who suffer monetary losses due to the promoter's failure to perform.

Since 1980, the financial problems of two licensed promoters have caused losses to participants and commission officials. Your Committee believes that tougher qualifying requirements, especially in the area of financial integrity, an increase in the required surety bond, and payment from the bond to the aggrieved parties would alleviate the problem to a large degree.

Your Committee has amended this bill to clarify that information evidencing financial integrity shall be that of the corporation, and not of individual corporate officers, in keeping with state corporation laws.

This bill has further been amended to clarify the parties who may recover under a forfeited surety bond. Other minor technical amendments have been made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 287, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 287, H.D. 2.

Signed by all members of the Committee.

SCRep. 465 Finance on H.B. No. 844

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.

Holding these unclaimed articles for seven years is not necessary and your Committee finds the procedure proposed by this bill in order.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 844, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 844, H.D. 1.

Signed by all members of the Committee.

SCRep. 466 Finance on H.B. No. 991

The purpose of the Act is to extend the effective date of the amendment to paragraph (1) of HRS 88-74, effected by Act 165, Session Laws of Hawaii 1982, from July 1, 1982, to January 1, 1983.

The 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 HRS 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. This bill proposes to correct this inequity.

Your Committee has made technical, non-substantive amendments to this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 991, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 991, H.D. 1.

Signed by all members of the Committee.

SCRep. 467 Finance 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 and from increased delinquent loan collection activities. 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. This transfer will create a reliable revenue source for the Department to effectively manage its loan program.

Your Committee has amended this bill to clarify present statutory language.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1120, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1120, H.D. 1.

Signed by all members of the Committee.

SCRep. 468 Finance 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.

The board 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 Committee has amended this bill in its entirety to accomplish its purposes by restoring the original provisions of the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1123, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1123, H.D. 2.

Signed by all members of the Committee.

SCRep. 469 Finance on H.B. No. 1262

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for the construction of an ethanol plant.

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 per cent of the total energy used in Hawaii. Ethanol, an indigenous source of liquid fuel, has great potential for reducing the State's dependence on petroleum.

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 per cent 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 per cent alcohol.

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. C. Brewer decided not to construct the facility at that time, however, 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 per cent

jump in ethanol production during the past year.

This authorization for issuance of special purpose revenue bonds for the construction of an ethanol plant will increase the viability of the ethanol industry by lowering the overhead costs of producing ethanol.

Your Committee has amended the bill to specify that Hawaiian Development Company, a subsidiary of the Hawaii Sugar Planters' Association, shall construct the ethanol plant.

Further, the authorized amount has been reduced from \$30 million to \$10 million. Federal law governing tax exempt special purpose revenue bonds for such projects limits the amount of issuance to \$10 million.

Your Committee on Finance is in accord with the intent and purpose of H.B.No. 1262, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1262, H.D. 1.

Signed by all members of the Committee.

SCRep. 470 Finance 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.

The legislature has continuously approved payments for the medical plan to be shared on a 50-50 basis. This bill would increase the employers monthly contribution by \$3.80 for a Self Only Enrollment Medical Plan and \$11.66 for a Family Enrollment Medical Plan.

Your Committee has amended this bill to appropriate \$2,110,000 for FY 1983-84 and \$2,174,000 for FY 1984-85, for the purpose of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1347, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1347, H.D. 1.

Signed by all members of the Committee.

SCRep. 471 Finance on H.B. No. 1401

The purpose of this bill is to authorize the issuance of refunding special purpose revenue bonds to assist the Wahiawa General Hospital in the refinancing of its facility and in the refunding of outstanding special purpose revenue bonds.

In 1981, the legislature authorized the issuance of special purpose revenue bonds to assist Wahiawa General Hospital in the construction and renovation of its facilities. The bonds were issued at an interest rate of 15-1/2 per cent. Since then, interest rates have fallen; thus, if Wahiawa General is able to refinance at a lower rate, it could realize substantial savings.

Your Committee finds that Wahiawa General Hospital is in special need of assistance. The construction project, which the authorization in 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.

This bill has the potential of reducing Wahiawa's outstanding indebtedness, thus making the operation of the new long-term care beds more viable.

This bill has been amended to reflect changes recommended by the State's bond counsel.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1401, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1401, H.D. 1.

Signed by all members of the Committee.

SCRep. 472 Finance on H.B. No. 1402

The purpose of this bill is to change the composition of the contractors license board.

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.

This bill proposes to change the board to consist of 5 general building or engineering members, 5 specialty members, and 3 public members. This configuration maintains the board at its present size of 13.

Your Committee has amended this bill to restore county representation on the board.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1402, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1402, H.D. 2.

Signed by all members of the Committee.

SCRep. 473 Finance 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.

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 believes 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 cost to the State.

This bill has been amended to reflect the recommendations made by the State's bond counsel.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1505, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1505, H.D. 1.

Signed by all members of the Committee.

SCRep. 474 Finance 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 to be required to take the practical demonstration examination; to amend the grading method; to increase the reexamination fee; to amend the method of recognizing an applicant's practical experience; and to delete gender references.

Hawaii Revised Statutes 442-6 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 require an applicant who has passed the national board examination to take the practical demonstration examination administered by the Board of Chiropractic Examiners.

The present grading method is done by totaling all parts of the examination. The applicant must attain a general average score of seventy-five per cent or higher in order to pass and not go below sixty per cent 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 per cent or higher in all parts of the examination, since all parts are considered equally important.

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

This bill proposes to reduce the one percentage point for each year to one-half percentage point 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 has amended page 2, line 18, to delete the word "only" to allow applicants to be reexamined at any time in the future and not limited to the next examination.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 289, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 289, H.D. 1.

Signed by all members of the Committee.

SCRep. 475 Finance 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. The six-year term is inadequate for many contract individuals who provide services such as developing, implementing, and managing programs and projects in the areas of housing and agricultural development, financing and real estate planning, management, and development so critical to the Department's program goals and objectives.

Your Committee has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1571, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1571, H.D. 2.

Signed by all members of the Committee.

SCRep. 476 Finance 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.

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.

This bill further clarifies the role of the Office of Corporation Counsel or the county attorney in representing the State.

Your Committee has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1582, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1582, H.D. 1.

Signed by all members of the Committee.

SCRep. 477 Finance 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.

This bill would enable the State Foundation on Culture and the Arts to commission a permanent work of art for the Kauai State Office Building in Kauai's civic center.

Your Committee has made some technical, non-substantive amendments to the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1285, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1285, H.D. 2.

Signed by all members of the Committee.

SCRep. 478 Finance 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.

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 a technical amendment to correct a drafting error.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1304, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1304, H.D. 2.

Signed by all members of the Committee.

SCRep. 479 Finance on H.B. No. 1297

The purpose of this bill is to authorize the issuance 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.

St. Francis has long been recognized as a major provider of health care services. The new hospital facility planned for Waipahu-Ewa would provide services to the greater Leeward community, especially necessary since Pearlridge Hospital closed its doors.

At this time, St. Francis Hospital has a certificate of need application pending with the State Health Planning and Development Agency (SHPDA) for this facility. The authorization to issue special purpose revenue bonds in this bill is contingent on approval by SHPDA of this project. Should these bonds be issued, considerable savings will inure to St. Francis Hospital, which in turn will mean lower health costs to the consumer.

Several amendments have been made to reflect changes recommended by the State's bond counsel.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1297, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1297, H.D. 2.

Signed by all members of the Committee.

SCRep. 480 Finance 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 HRS 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 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, in instances of disputed payment, the credit company may charge back sales drafts to the provider hospital and the cardholder may withhold payment from the 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 that must be adjudicated in court. Thus, credit card companies are reluctant to service public hospitals. An amendment to HRS 323-35, exempting credit card companies from the state statute, would settle the conflict between federal and state law.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 242, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 242, H.D. 1.

Signed by all members of the Committee.

SCRep. 481 Finance 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 includes this criteria in the applicable statute.

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 has amended the bill to make changes in style and to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 320, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 320, H.D. 1.

Signed by all members of the Committee.

SCRep. 482 Finance 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.

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 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 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.

Your Committee has amended this bill to delete the appropriations for this program. The department of health is currently keeping records for phenylketonuria testing and the additional recording requirements of congenital hypothyroidism should not require additional funding. Your Committee has further amended this bill by rearranging and renumbering sections to conform to Ramseyer drafting requirements and to make non-substantive technical amendments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 502, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form

attached hereto as H.B. No. 502, H.D. 2.

Signed by all members of the Committee.

SCRep. 483 Finance 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 a claim for Travis, et al. v. Jean King.

This bill appropriates \$279,714.19 for the payment of 19 claims under Hawaii Revised Statutes section 37-77 and chapter 662.

Your Committee has changed the lapsing date to June 30, 1984.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1119, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1119, H.D. 2.

Signed by all members of the Committee.

SCRep. 484 Finance 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 so 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.

Your Committee finds this bill in order as it restores to Section 171-60 the provisions which were deleted by Act 199 of the 1981 session.

Your Committee has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 253, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 253, H.D. 1.

Signed by all members of the Committee.

SCRep. 485 Finance 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 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 are required to be deposited into the State's general fund.

Your Committee is of the opinion that the intent of the bill is appropriate. However, the phrase "for administrative costs, and other related purposes" has been inserted on line 15, page 1, of the bill to permit the payment of expenses incurred by the Department of Land and Natural Resources in administering the agricultural park revolving

fund. Your Committee has further amended this bill by correcting a minor spelling error on page 1, line 6, of the bill and by adding a sunset clause effective on June 30, 1985.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1579, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1579, H.D. 2.

Signed by all members of the Committee.

SCRep. 486 Finance 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 levels. This bill also deletes the established pay plan for six grades of work.

Your Committee finds that the patient-employees provide meaningful and necessary work at Kalaupapa. For reasons of equity, your Committee agrees that these patient-employees deserve the dignity of receiving at least the minimum wage.

Technical, non-substantive amendments have been made to this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 546, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 546, H.D. 2.

Signed by all members of the Committee.

SCRep. 487 Finance 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 Committee is 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. This transfer bill is the result of the negotiation between the Executive and Judiciary Branches resolving long-standing jurisdictional issues. The consolidation of certain functions and resources of the ISC and the Judiciary will reduce fragmentation and duplication of services.

Your Committee has made minor grammatical and technical changes in this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 792, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 792, H.D. 1.

Signed by all members of the Committee.

SCRep. 488 Finance 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.

Your Committee has made technical, non-substantive amendments to this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 810, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 810, H.D. 2.

Signed by all members of the Committee.

SCRep. 489 Finance on H.B. No. 814

The purpose of this bill is to reduce the time 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 tenant accounts receivable to less than 1 per cent for each public housing agency in Region IX. HHA's delinquency rate is currently at 5 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.

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 from two years to 90 days which delinquent rent accounts must remain on HHA's records. 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 HHA records. To further this end, the bill also provides that delinquent accounts which are removed from HHA records after 90 days may be assigned to a collection agency.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 814, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 814, H.D. 1.

Signed by all members of the Committee.

SCRep. 490 Finance on H.B. No. 966 (Majority)

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 decal system will permit greater enforceability of the sanctions available under Chapter 294, Hawaii Revised Statutes.

Your Committee is aware that this decal system is not foolproof. There may be instances in which a person could possess a decal without being covered by an effective no-fault policy. However, the prospect of increased compliance with the no-fault insurance law, which this bill is aimed at accomplishing, justifies implementation of a decal system despite the minor administrative problems that may arise.

Several amendments were made to this bill. First, your Committee changed the decal placement requirement to have the insurance commissioner determine, through rules, the appropriate placement of the decal. While placement of a decal on the rear bumper of a vehicle provides for high visibility, your Committee is concerned with the possibility of theft of these decals, especially given the large penalty for not having such a decal. The minimum \$500 penalty for violation of the no-fault law is appropriate and necessary to serve as an incentive for individuals to procure no-fault insurance. As such, your Committee recognizes that some individuals may be induced to theft to obtain a decal and thus avoid the penalty. Your Committee considered placement of the decal in the interior of the vehicle where it would still be visible, as on the rear window. Since there may be police or motor vehicle safety rules governing placement of decals in vehicle windows, your Committee agrees that the insurance commissioner is in a better position than the legislature to determine the best placement of the decal. Your Committee urges the insurance commissioner to seriously consider the concerns raised about theft of decals in determining their placement.

Second, the bill has been amended to clarify that a portion of any fine imposed for violation of the no-fault law would be deposited into the fund established under the

assigned claims program. That program provides a source of compensation for those persons injured in accidents by uninsured motorists.

Lastly, a few technical amendments have been made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 966, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 966, H.D. 2.

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

SCRep. 491 Finance on H.B. No. 992

The purpose of this bill is to transfer from the State to the counties the authority 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 HRS 711-1109 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. These amounts are minimal and should be raised.

Your Committee recognizes that the problem of dog overpopulation throughout the State has been increasing. Your Committee agrees 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 recognizes that the failure to properly care for diseased dogs should be consistent with the penalty for cruelty to animals.

Your Committee has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. 992, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 992, H.D. 2.

Signed by all members of the Committee.

SCRep. 492 Finance on H.B. No. 1018

The purpose of this bill is to permit the establishment of international banking facilities in Hawaii.

Your Committee finds 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.

This bill will provide for the exemption of income from an international banking facility, from state and county taxation, subject to a tax floor provision to maintain revenues from international business which is currently conducted from Hawaii sites, and therefore taxable. Your Committee believes that passage of this bill will be beneficial to Hawaii's financial industry.

Your Committee has amended line 14 of page 12 to add "funding amount from the eligible" to make clear the amount of net eligible income. Your Committee has further amended this bill to change the taxable years on page 13, line 6, to 1980, 1981, and 1982.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1018, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1018, H.D. 2.

Signed by all members of the Committee.

SCRep. 493 Finance 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 the food, drug, and cosmetic law. The bill also provides for injunctive relief in order to prevent violations.

Your Committee agrees that this bill should encourage uniform procedures throughout the diversity of program areas within the department, to assure better protection of the public.

Your Committee has made technical, nonsubstantive amendments to this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1086, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1086, H.D. 1.

Signed by all members of the Committee.

SCRep. 494 Finance 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.

Your Committee has amended this bill to increase the amount of the fine to not more than \$10,000. Your Committee finds that the fine of \$10,000 will reflect the legislature's concern of the seriousness of these violations. Your Committee has further amended this bill to make technical changes for clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1087, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1087, H.D. 2.

Signed by all members of the Committee.

SCRep. 495 Finance 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, 1981, 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 has amended this bill to make technical, non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1231 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1231, H.D. 1.

Signed by all members of the Committee.

SCRep. 496 Finance on H.B. No. 1361

The purpose of this bill is to make an emergency appropriation for the payment of settlement of the Holo Holo cases.

The bill provides for an appropriation of \$1,500,000 to pay the State's contribution toward the settlement of the cases.

Contribution toward the settlement breaks down as follows:

\$1,500,000	State of Hawaii
363,291	Research Corporation, University of Hawaii
850,000	University of California
<u>747,400</u>	Insurance payment on behalf of Defendant Laney
\$3,460,691	

Approval of the request will constitute a full and final settlement of all claims brought by the plaintiffs against the State.

This measure is recommended for immediate passage pursuant to Section 9, Article VII of the State Constitution, by letter of the Governor dated February 16, 1983.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1361 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 497 Finance on H.B. No. 5

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects authorized in H.B. No. 1, the General Appropriations Act of 1983, and H.B. No. 387, the Judiciary Appropriations Act of 1983.

The bill includes the declaration of findings required by the clause in Article VII, Section 13 of the State Constitution which states:

"Effective July 1, 1980, the legislature shall include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds outstanding, will not cause the debt limit to be exceeded at the time of issuance."

The effect of the foregoing constitutional requirement is that the legislature must take into account the debt service on all bonds that count against the debt limit, including outstanding bonds, authorized bonds which are yet to be issued, and bonds authorized in the Act, and demonstrate that the constitutional debt limit will not be exceeded at the time the bonds are issued.

The required declaration in Section 1 of the bill sequentially is as follows:

Paragraph 1 sets forth the basic constitutional provision governing state debt.

Paragraph 2 shows the actual debt limit applicable for fiscal year 1982-83 and estimates of the debt limit for fiscal year 1983-84 to fiscal year 1986-87.

Paragraph 3 shows the debt service requirements from fiscal year 1983-84 to fiscal year 1989-90 for outstanding general obligation bonds which must be counted against the debt limit.

Paragraph 4 states the amount of authorized but unissued general obligation bonds as of December 31, 1982, adjusted for the \$75,000,000 general obligation bonds issued in March 1983, Series AV, and the amount of general obligation bonds authorized by this bill.

Paragraph 5 shows the schedule for proposed general obligation bond issuance and states the assumptions concerning bond maturities.

Paragraph 6 states that the total amount of general obligation bonds which the state proposes to issue is an amount sufficient to meet the requirements of all authorized unissued bonds and the bonds authorized by this bill.

Paragraph 7 notes that certain reimbursable general obligation bonds can be excluded, and while the amount of such excluded bonds cannot be precisely determined for each issuance, the legislature makes the conservative estimate that 10 per cent of each issuance is excludable.

Paragraph 8 presents a display which compares the debt limit applicable at the time of each proposed bond issue with the greatest debt service amount resulting from each issue.

Paragraph 9 establishes the overall and concluding finding that the total amount of principal and interest estimated for the general obligation bonds authorized by this bill and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

In making the declaration to support the authorization of bonds in this bill, your Committee has followed the cautionary guidelines expressed by the state's bond counsel who has advised:

"A court will not necessarily sustain findings of a legislative body which are merely a recitation of the requirements of a constitution or a statute. Consequently, we believe that the legislature must establish a reasonable basis for the finding that the estimated debt service . . . will not cause the debt limit to be exceeded at the time of issuance. We believe prudence requires the basis to be conservative in order to eliminate any allegation that the legislature first made the finding and worked back to assumptions which were consistent with such finding."

Your Committee understands that the declaration of findings in this bill fully follows the bond attorney's cautionary guidelines.

Your Committee has amended this bill to make certain technical corrections, to make punctuation changes and to insert the most current data available where applicable. The bill still contains several blank spaces which will not be completed until data from the final forms of the Executive and Judicial appropriation acts are known.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 5, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 5, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 498 Judiciary on H.B. No. 1266

The purpose of this bill is to provide authority for the Family Court to issue an order without a hearing to each party to prohibit the transferring, encumbering, wasting, or otherwise disposing of the parties' marital property, after a complaint for an annulment, divorce, or separation has been filed. The bill will also allow the Family Court to appoint a master or masters to make preliminary findings and to report to the court on any issues.

Under present law, the Family Court, after the filing of any complaint, may issue

a restraining order to prevent the disposal or encumbrance of the parties' property in accordance with the powers that the Family Court enjoys as a court of equity.

Your Committee has received testimony from the Family Court, the Family Law Committee of the Hawaii Bar Association, and the Legal Aid Society of Hawaii in support of the bill.

Your Committee agrees with their testimony that the provision of the bill will reduce the cost of divorce by eliminating the necessity of a court hearing before the parties to a divorce are restrained from disposing of their property pending a divorce. As a matter of practice, this type of order is usually granted by the Family Court upon request of a party, but only after the expense of an application and appearance at court. Furthermore, your Committee agrees that the admission of a master's report and the ability of the Family Court to use a master will economize on judicial time. Your Committee intends, however, that the appointment of a master will be at the expense of either or both parties.

Your Committee has amended the bill by adding "by either party" after the word "application" on page 1, line 19, and deleting "of either party" and substituting "or a statement made under penalty of perjury," and inserting "hearing" on page 1, line 10, of the bill.

Your Committee feels that when orders are to be issued against persons other than parties to the divorce action, such persons should be given notice and an opportunity for a hearing within a reasonable time. Accordingly, your Committee has further amended the bill by adding this requirement.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1266, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 499 Judiciary on H.B. No. 1363

The purpose of this bill is to enable the service of district courts' writs and summons anywhere throughout the state or outside of it to the same extent as circuit court writs and summons.

Your Committee has heard testimony from the Judiciary and the Chamber of Commerce of Hawaii in support of the bill. The Judiciary has testified that district courts are now courts of records and no longer considered inferior courts, and therefore, service of district court writs and summons should not be restricted.

The Judiciary also has testified that there are situations such as security deposit cases which involve claims by tenants against landlords who may not reside in the same judicial circuit or may reside outside the state. Under present law, because the small claims court has exclusive jurisdiction over security deposit cases, an aggrieved tenant would have no recourse against a landlord who wrongfully fails to return the security deposit unless authorization is first obtained to permit service of district court writs and summons at any place in the state or elsewhere.

Your Committee has amended the bill in its entirety to reflect the recommendations made by the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1363, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 500 Judiciary on H.B. No. 1294

The purpose of this bill is to transfer the responsibility in preparing petitions for offenses against the person of a spouse and the penal summons from the Family Court to the offices of the prosecuting attorney of each county. The bill states that physical abuse or harm against a spouse shall constitute spousal abuse. The bill will also enable a police officer, with or without a warrant, to take necessary action against the abusing

spouse, whether or not such physical abuse or harm occurred in the police officer's presence.

Under present law, the Family Court is given jurisdiction as provided for under section 571-14(2)(B) of the Hawaii Revised Statutes over an adult charged with an offense, other than a felony, against the person of a spouse. Your Committee finds that this is the only type of criminal complaint that is currently filed with a judicial agency rather than the Prosecutor's Office. This procedure has caused frustration and confusion for both the petitioners and the Family Court.

Your Committee has received testimony from the Family Court and the office of Victim/Witness Kokua Services of the Honolulu Prosecutor's office in support of the bill. Your Committee agrees with their testimony that the proposed changes will expedite services to the abused spouse and resolve ambiguities in the existing statutes.

Your Committee has amended the bill according to the recommendations of the Family Court as follows:

1. The language "the officer" is substituted for "he" on page 1, line 7, of the bill and for "he or she" on page 1, line 14, of the bill;
2. The word "voluntarily" on page 2, line 11, has been deleted;
3. The period has been replaced with a comma on page 3, line 9, of the bill and "or may file a criminal complaint for spouse abuse in the Family Court through the office of the prosecuting attorney of the applicable county." has been added after the word "forthwith";
4. Subsection (7) on page 3 has been deleted and incorporated into subsection (6).

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1294, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Andrews.

SCRep. 501 Judiciary on H.B. No. 1221

The purpose of this bill is to provide a procedure for the filing and processing of forfeiture of properties seized pursuant to chapter 329 of the Hawaii Revised Statutes.

Under present law, certain properties connected with drug offenses may be seized by the state. However, there is no clear procedure for the filing, processing, and disposing of properties seized.

Your Committee has heard testimonies from the State Department of Health, the Honolulu Police Department, and the Honolulu Prosecuting Attorney in support of the bill. The Department of Health has testified that the State Investigations and Narcotics Section has conducted numerous forfeiture investigations and that the forfeiture provisions, as they currently function, are ineffective due to lengthy and unreasonable delay in bringing cases to court. The State, for example, has seized vehicles and has had custody of these vehicles for over two years, causing the vehicles to rust and lose their value or use when finally forfeited.

Your Committee finds that it is necessary to provide the new procedure with a definite timetable and notice to owners of the properties seized. If no claimant has appeared within a certain time, the court shall order the property forfeited to the state to be disposed of by the state.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1221 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 Andrews and Honda.

SCRep. 502 Judiciary on H.B. No. 1102

The purpose of this bill is to authorize the court to extend a domestic protective order

to one year from the date of the initial order.

Your Committee has received testimony from the Victim/ Witness Kokua Services of the Honolulu Prosecutor's Office stating that most petitioners who obtain a domestic protective order need more than ninety days to protect themselves from domestic abuse or a recurrence of abuse.

Your Committee understands that domestic violence is a serious problem and that extending the life of a domestic protective order when necessary will prevent violence.

However, your Committee believes that one year is too long to extend a domestic protective order which is by substance a temporary restraining order. Your Committee recognizes many marital actions may take up to a year to resolve, but your Committee believes 180 days is a more reasonable time period to extend a domestic protective order.

Nonsubstantive changes were made to correct drafting errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1102, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Andrews.

SCRep. 503 Judiciary on H.B. No. 1050

The purpose of this bill is to increase the fine against any person who carries a concealed deadly weapon from \$250 to a minimum of \$500 and no more than \$1,000.

Your Committee has heard testimony from the Honolulu Police Department in support of the bill and agrees that the enactment of the bill will be a deterrent to those who contemplate carrying a concealed deadly weapon.

Your Committee has amended the bill by substituting "police officer" for "policeman."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1050, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 504 Consumer Protection and Commerce on H.B. No. 1088

The purpose of this bill is to amend the definition of "good faith" which is found in Section 486H-1 (3), Hawaii Revised Statutes, by adding language which clarifies the franchise relationship between petroleum distributors and retail gasoline dealers.

Testimony in favor of the bill was given by the Hawaii Automotive and Retail Gasoline Dealers' Association which also proposed amendments to the bill.

Testimony against the bill was provided by Shell Oil Company, Chevron U.S.A., Union Oil Company of California, Atlantic-Richfield Company, and Texaco, Inc.

Your Committee, with the concurrence of the Hawaii Automotive and Retail Gasoline Dealers' Association and the Shell Oil Company, has amended the bill regarding Section 486H-5(c), Hawaii Revised Statutes, to read:

"(c) The petroleum distributor shall not fail to act in good faith in carrying out the terms and provisions of the franchise."

Your Committee has also amended the bill with regard to Section 486H-5, Hawaii Revised Statutes, to include a new section which will clarify the definition of "good faith" and which can be read together with Section 486H-7, Hawaii Revised Statutes, regarding the right to sue.

Finally, your Committee has, with the concurrence of the Hawaii Automotive and Retail Gasoline Dealers' Association, deleted the section in the bill regarding "applicability".

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1088, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as H.B. No. 1088, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 505 Judiciary on H.B. No. 901

The purpose of this housekeeping bill is to correct deficiencies and discrepancies in the election laws to ensure the efficient planning and execution of future elections.

This bill addresses amendments to twenty-two separate sections of election law. Your Committee has reviewed the detailed testimony of the Association of (County) Clerks and Election Officers of Hawaii (ACEOH), the people who administer the election laws, and is in agreement with the following proposed changes:

- Sec. 11-23 on changing the voter register. The amendment deletes reference to the loss of voting rights due to adjudication as a "mentally ill person" because Chapter 334 no longer provides for that procedure. It is now located in Hawaii Revised Statutes, Chapter 560, as the adjudication of someone as an "incapacitated person."
- Sec. 11-41 on the boards of registration. The amendment corrects an omission in this section: that the boards were never formally placed in any state department for administrative purposes. The proposed amendment places the boards in the Office of the Lieutenant Governor which currently handles the payment of the board members.
- Sec. 11-61 on the definition of "political party." The amendment provides an adjustment to the provision on party disqualification regarding the basis of the per cent needed of votes cast in senatorial districts. Due to the staggering of state senate terms, the basis would vary from one election year to another. A compromise basis was selected.
- Sec. 11-62 on the formation of new parties. The amendment provides that the signers of the new party formation petition be currently registered voters; that the per cent of signatures required be set by the number of registered voters as of the last preceding general election; and that the new party submit its rules with the petition.
- Sec. 11-63 on amendments to party rules. The amendment deletes the initial biennial filing requirement for new parties.
- Sec. 11-64 on the filing of the names of party officers. The amendment moves the deadline to a date after the election of new party officers by the major parties, eliminating the need to file an amendment to the names already submitted.
- Sec. 11-77 on the appointment of poll watchers. The amendment states to whom the parties must submit their lists of poll watchers. This was previously omitted from the law.
- [Sec. 11-92] on precincts, polling places, and central polling areas is being repealed. The new sections to be enacted break down the material in Sec. 11-92 into more comprehensible units.
- Sec. 11-92.1 [new] on the establishment of new precincts. The amendment requires the chief election officer to issue a proclamation describing any new precincts and prevents the change of boundaries within the ninety days immediately prior to an election.
- Sec. 11-92.2 [new] on multiple polling place sites. The amendment permits the chief election officer to establish these sites where several polling places may be set up at one location regardless of district boundaries but prevents them from being established after the ninetieth day immediately prior to an election.
- Sec. 11-92.3 [new] on consolidated precincts. The amendment permits the establishment of one polling place for several precincts within the same district in the event of a natural disaster or a special, special primary, or special general

- election. Corresponding notices to the public are required.
- Sec. 11-97 on the openness of election records. The amendment prohibits the opening of any sealed election ballots or materials unless opened upon order of a court. The sealing of any such materials would have been witnessed by the official observers. An order to open these records could be obtained via the sections on election contests.
- Sec. 11-112 on the contents of the ballot. The amendment clarifies when a candidate's party affiliation or nonpartisanship shall be listed on the ballot, requires that the ballot must state in multimember races how many candidates the voter may vote for, and specifically permits the inclusion of ballot questions on the ballot.
- Sec. 11-113 on presidential ballots. The amendment requires that persons wanting to place names on the general election presidential ballot must submit notarized statements from both candidates that they intend to be a candidate for president or vice president on the general election ballot in the state of Hawaii prior to being issued the petition form.
- This will prevent the submission of names of people, for example, Muhammed Ali or Tip O'Neill, as a running mate without that person's prior authorization.
- Sec. 11-117 on the withdrawal of candidates. This amendment inserts in the law to whom the notice of withdrawal must be given and moves up the date by which the notice must be received so that absentee voters may be notified of the withdrawal.
- Sec. 11-118 on vacancies and the insertion of another name on the ballot. This amendment moves up the date by which a vacancy could be filled by a party to allow sufficient time for the printing of the ballots.
- Sec. 11-134 on the ballot transport containers and ballot boxes. The amendment permits the opening of the ballot boxes at the counting centers to begin the ballot tabulation before the closing of the polls. This conforms the law to the procedures used and allows for the opening of ballot boxes at the polling places when provided by rule.
- Sec. 11-135 on the early collection of ballots. The amendment conforms the law to the current practice whereby voted ballots in electronic ballot system elections are transported to the counting centers during the day as well as after the polls close.
- Sec. 12-6 on nomination papers: filing, fees. The amendment provides that when a person declares by affidavit that he/she is an indigent, a petition signed by currently registered voters constituting one-half of one per cent of the total registered voters as of the last preceding general election for the district from which the indigent desires to run will satisfy the conditions allowing the chief election officer or clerk to waive the filing fee.
- Sec. 12-41 on the result of an election. The amendment prevents the currently unnecessary expenditures by a county office candidate running for office during the general election when there are no candidates of other parties or nonpartisans to run against that candidate.
- Sec. 15-9 on the return and receipt of absentee ballots. The amendment, subsection (a)(3), permits the return of an absentee ballot to any polling place within the county where the voter is registered rather than restricting the voter to returning the absentee ballot only to the voter's regular polling place. Allowing the return of the ballot to the most convenient polling place makes it less onerous for the voter, especially in cases of sudden illness.

The proposed amendment to Sec. 12-3 which would have required candidates to obtain affidavits from their political parties certifying that the candidate is a member of that party has been deleted as unduly burdensome, especially for the person who makes the decision to become a candidate or to run in a particular district very close to the filing deadline.

Your Committee has also made nonsubstantive technical amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 901, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Medeiros.

SCRep. 506 Judiciary on H.B. No. 830

The purpose of this bill is to provide statutory authority for supervision by the Adult Probation Division of persons conditionally released from hospitalization after commitment on the grounds of physical or mental disease, disorder, or defect.

Testimony in support of this measure was submitted by the Judiciary and the Department of Health.

Your Committee believes that supervision of a conditionally released person by the Adult Probation Officer is essential to the safety and welfare of the individual as well as the community.

In section 1, line 4, the phrase "or discharge" is deleted as unnecessary. Similarly, in section 1, lines 6, 12, and 13, the phrase "discharge or" is also deleted.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 830, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 507 Judiciary on H.B. No. 581

The purpose of this bill is to amend section 134-3 of the Hawaii Revised Statutes to enable the chief of police to issue permits to acquire firearms to aliens who are duly commissioned law enforcement officers in the State of Hawaii. Additionally, the bill requires that any law enforcement officer who is the owner of a firearm and who is an alien to transfer ownership of the firearm within 48 hours after termination of employment from a law enforcement agency.

Your Committee heard testimony from the Honolulu Police Department in support of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 581 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 Andrews and Honda.

SCRep. 508 Judiciary on H.B. No. 452

The purpose of this bill is to clarify the language defining "negligent" and "reckless" behavior as provided for in section 702-206 of the Hawaii Revised Statutes. This bill corrects existing grammatical inaccuracies and does not make substantive changes to the concepts of negligence or recklessness.

Your Committee has received testimony from the Honolulu Prosecuting Attorney in support of the bill.

Your Committee has made technical, nonsubstantive changes. In addition, Section I of the bill has been deleted since it is not necessary to provide a purpose clause.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 452, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 509 Judiciary on H.B. No. 69

The purpose of this bill, as received by your Committee, 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 has received testimony from the Department of Health in support of the bill.

Your Committee finds that H.B. No. 69, H.D. 1, is patterned after model legislation recommended by the American Medical Association.

There is a typographical error in section 1, page 2, line 4, 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 Judiciary is in accord with the intent and purpose of H.B. No. 69, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 69, H.D. 2.

Signed by all members of the Committee.

SCRep. 510 Public Employment and Government Operations on H.B. No. 1311

The purpose of this bill is to amend Section 92-7, Hawaii Revised Statutes, subsection (b), by deleting the seventy-two hour public notice filing and posting requirement for meetings of public agencies and to require instead a period to be later specified.

According to testimony heard by your Committee, the current requirement of seventy-two hours is not sufficient for the public to be made aware of forthcoming public hearings; an extension of time beyond the presently required seventy-two hours would be of great help in preparing for such hearings.

Your Committee is in agreement that this bill be amended by inserting the figure of six calendar days, which doubles the current time required. This would allow public agencies sufficient time to distribute hearing notices and allow the public time to view these notices and be aware of scheduled hearings. This would also allow community groups and associations time to contact interested parties and research the upcoming issues.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1311, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 511 Public Employment and Government Operations and Ocean and Marine Resources on H.B. No. 549

The purpose of this bill is to amend Sections 26-15 and 171-3, Hawaii Revised Statutes, to clarify the Department of Land and Natural Resources' functions relating to aquatic life, wildlife and aquaculture programs and to make non-substantive changes to wordings used in these sections.

According to testimony, the amendments are necessary to finalize the statutory aspects relating to administrative transfer of the Aquaculture Development Program by the Governor to the Department of Land and Natural Resources from the Department of Planning and Economic Development and the recent reorganization of the Department of Land and Natural Resources where the wildlife and aquatic life activities are separated into the Division of Forestry and Wildlife and the Division of Aquatic Resources, respectively.

Your Committee on Public Employment and Government Operations and Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 549 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 512 Public Employment and Government Operations on H.B. No. 514

The purpose of this bill is to repeal Section 46-4.1, Hawaii Revised Statutes, and to thereby make it clear that the size, membership, or composition of county zoning boards of appeals is strictly a county matter.

Under present law Section 46-4.1 requires that the zoning board of appeals shall be made up of five members in every county with a population of more than 100,000 persons.

According to testimony, each county has its own uniqueness and varies according to its population and particularly, land mass. This creates the need for a varying political and/or organizational format from county to county.

Your Committee is in agreement that this bill would provide the necessary flexibility within each county to manage its affairs pursuant to the State Constitution.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 514 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 513 Public Employment and Government Operations on H.B. No. 411

The purpose of this bill is to amend Section 81-2 to change the number of required meetings of the advisory committee on training from one meeting per quarter to one meeting per year.

Under present law Section 81-2, HRS, establishes an advisory committee to meet at least quarterly.

According to testimony, most of the business can be transacted during one meeting despite the diversity of membership on the committee.

This bill includes the flexibility for the chairperson to call additional meetings if needed.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 411 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 514 Health on H.B. No. 1146 (Majority)

The purpose of this bill is to expand smoking restrictions, provided for in section 321-201 of the Hawaii Revised Statutes, from State-operated elevators to all elevators in the State.

Your Committee recognizes the health hazards of tobacco smoke to smokers and to others breathing tobacco smoke, known as "passive smokers".

Your Committee finds that the existing ban on smoking in State-owned elevators encourages a limited degree of voluntary cooperation regarding smoking in privately-owned elevators. Some privately-owned elevators have "no smoking" signs posted, while common courtesy and consideration for others encourage non-smoking in all elevators. However, your Committee finds that the law is the most effective means of promoting smoking restrictions in areas as small, crowded and enclosed as elevators.

Your Committee finds that this bill does not encourage a complete ban on smoking in all enclosed areas open to the public but provides for a minor, necessary aspect of public conduct.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1146 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Apo, Ige, Shito, Tom and Jones did not concur.)

SCRep. 515 Consumer Protection and Commerce and Judiciary on H.B. No. 866

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new section regarding the unauthorized removal of shopping devices from business establishments which provide them for their customers.

The bill defines the offense of unauthorized removal of shopping devices. It also requires that an identifying sign be affixed to the shopping device and that notification be posted on the premises of the business establishment that the shopping devices may not be removed from the premises or areas immediately adjacent thereto.

The bill, as proposed, makes the unauthorized removal of shopping devices a petty misdemeanor.

Testimony in favor of the bill was given by the Hawaii Food Industry Association which reported that in 1982, market operators incurred a loss of \$225,000 due to over 2,000 stolen shopping carts. Members of the industry are reluctant to arrest offenders and are currently absorbing these losses, which are eventually passed on to the consumers. At present, market employees are sent out to collect stray carts, but this is costly to the industry. Other carts are retained by market customers for their own use and are not returned at all.

The Association proposed amendments to the bill which would enable the industry to handle this problem without requiring assistance from the Prosecutors Office and/or the Police Department.

Further testimony in favor of the bill was provided by the Retail Merchants of Hawaii.

Your Committees are concerned about this problem which certain business establishments face and have therefore made amendments to the bill to increase effective enforcement by:

- (1) Changing the proposed bill from Chapter 708 which deals with Property Rights to Chapter 633 which deals with Civil Actions and Proceedings;
- (2) Allowing any business establishment from whom shopping carts are taken to bring suit in the Small Claims Division of the District Court in the circuit where the business establishment is situated;
- (3) Allowing suit for repossession to be brought in the Small Claims Division of the District Court in the circuit where the business establishment is situated; and
- (4) Defining clearly the circumstances under which action may be brought by business enterprises against unauthorized persons who remove shopping carts from the premises of the enterprises.

Your Committees are in agreement with the contention of the Hawaii Food Industry Association that these amendments will enable business enterprises to resolve successfully, rapidly, and at relatively little expense, the problem it faces regarding shopping carts.

Your Committees believe that bringing suit in the Small Claims Division of District Court will keep court and other costs at a minimum. At the same time, it will discourage those who are not authorized to do so from removing shopping carts from business enterprises.

The provision concerning attorney's fees has been deleted because attorney's fees are not granted by the Small Claims Division of District Court to persons who are represented by attorneys.

Your Committees have made other nonsubstantive changes for purposes of style and clarity.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 866, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 866, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 516 Transportation and Consumer Protection and Commerce on H.B. No. 601

The purpose of this bill is to set minimum State standards for sun screening devices used, installed, or mounted on or adhering or affixed to the glazing material of any motor vehicle within the State and to set penalties for violations of these standards.

Your Committees find that sun screening devices used in conjunction with glazing materials are beneficial in the following ways: (1) They protect the driver's eyes from excessive glare; (2) They protect persons with cancer or cancer-susceptible skin from the sun's harmful rays; (3) They decrease the usage of air conditioning, thus conserving energy; and (4) They protect the upholstery of the motor vehicle and other light sensitive personal property kept in the vehicle.

Your Committees further find that the requirement that the front windshield of the motor vehicle must conform to the FMVSS 205 standard for light transmittance will ensure that pedestrians, bicyclists, and drivers of other motor vehicles will be able to make "eye contact" with the operator of a motor vehicle with sun screening devices. Your Committees further find that this front windshield standard and the standards adopted by your Committees for the other windows of a motor vehicle will allow any police officer or other person approaching a vehicle, even at night, to be able to observe the movements of the occupants of the vehicle.

As introduced, H.B. No. 601, at page 2, lines 21-23 defined "sun screening devices" as "products or materials designed to be used in conjunction with approved vehicle safety glazing materials for the purposes of reducing the effects of the sun, . . ." Your Committees are concerned that materials not designed for use, but used on motor vehicle glazing material would be thus excluded from the scope of this proposed law. Therefore, they have amended the bill to add the words "or used" following "designed to be used" at page 2, line 22 of the bill.

As introduced, H.B. No. 601 dealt not only with tinting films and perforated sun screening materials, but with louvered materials as well. Your Committees are concerned that there would be difficulties in enforcing the standard called for in the bill, as introduced, that is, a prohibition against reducing driver visibility through a window other than the windshield to less than fifty per cent when measured on a horizontal plane. Therefore, your Committees have amended the bill by removing "louvered materials" from the definition of sun screening devices and by expressly excluding such materials from this definition at page 3, line 2 of the bill. For these reasons, your Committees removed the standards for louvered materials, §291- (d)(9), at page 5, lines 10-18 of the bill and accordingly redesignated the following paragraph.

Your Committees also felt that for the sake of clarity, all items listed in §291- (d) should be sun screening devices. Therefore, your Committees amended §291- (d)(7) and (8), respectively at page 4, lines 20-24 and page 5, lines 2-9 of the bill to deal with sun screening devices used on windows instead of with windows themselves. For the same reason, your Committees also amended §291- (a)(2) at page 3, lines 9-11 of the bill.

In order to provide a more complete list of possible sun screening devices, your Committees amended §291- (d)(5) at page 4, line 13 of the bill which originally exempted rear window wiper motors to exempt window wipers and all window wiper motors.

Your Committees amended the language in §291- (d)(7) and (8) dealing with light transmittance for windows other than the windshield to make it clear that the glazing material must have a light transmittance of no less than thirty-five per cent. After viewing various samples of reflective tinting materials, your Committees determined that the thirty-five per cent luminous reflectance standard provided in the original bill is too high and have thus amended §291- (d)(7) and (8) to provide for a luminous reflectance of not more than twenty per cent.

Your Committees also find that the provision relating to sun screening devices for side and rear windows, §291- (d)(8), should be clarified to take into account Department of Transportation regulations which presently allow complete obliteration of certain windows deemed not necessary for driving visibility. Therefore, your Committees have amended this section of the bill to make it clear that this bill is not intended to deal with sun screening devices on windows not necessary for driving visibility.

Your Committees have also eliminated §291- (e) at page 5, lines 21-23 of the bill as introduced. Your Committees believe that present laws and regulations dealing with outside rearview mirrors are sufficient to protect the safety of motorists and that the driving visibility requirements of the bill are sufficient.

The major issue confronted by your Committees with respect to H.B. No. 601 is that of federal preemption. With respect to State regulation of "users", that is, owners and operators of motor vehicles, there appears to be no preemption issue and the State may regulate users of motor vehicles with sun screening devices. The preemption issue arises with respect to persons who apply sun screening devices, including tinting materials, commercially. Section 108(a)(2)(A) of the National Traffic and Motor Vehicle Safety Act 15 U.S.C. §1397(a)(2)(A), provides in part that, "no manufacturer, distributor, dealer or motor vehicle repair business shall knowingly render inoperative, in whole or in part, any device or element of design installed on or in a motor vehicle or item of motor vehicle equipment in compliance with an applicable Federal motor vehicle safety standard. . . ." The State Department of Transportation presented testimony that the National Highway Traffic Safety Administration of the U.S. Department of Transportation is of the opinion that the term "dealer" includes persons who commercially apply sun screening devices to motor vehicle windows. However, your Committees are concerned that if commercial applicers are not covered by the federal standards, their application of sun screening devices should be regulated by the State in order to assure the safety of its citizenry.

Therefore, your Committees have amended H.B. No. 601 to include a "severability" clause to ensure that even if it is held that the State is preempted from regulating the commercial application of sun screening devices, the provisions of the bill regulating users will remain intact.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 601, as amended herein and recommend that it pass Second Reading in the form attached hereto as H.B. No. 601, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Nakasato.

SCRep. 517 Transportation and Consumer Protection and Commerce on H.B. No. 1588

The purpose of this bill is to clarify that the Director of the Department of Transportation must furnish motor vehicle registration information to any federal, state, or local agency or to any authorized person who: (1) has a legitimate reason to obtain the information for verification of vehicle ownership, for traffic safety programs, or for research or statistical reports; or (2) is required or authorized by law to give written notice by mail to owners of vehicles.

Your Committees received testimony that R.L. Polk and Company of Detroit, Michigan, utilizes motor vehicle registration and title information from each state to inform car owners of safety recalls and to compile motor vehicle statistics. These legitimate activities have been hindered in Hawaii because section 286-172(a)(2) has been interpreted to mean that a requestor of motor vehicle registration information who has a legitimate purpose must mail written notice to all of the persons contained in the file, which presents an immense and unreasonable burden to the requestor of the entire file.

Your Committees find that section 286-172(a)(2) was not intended to subject all legitimate requestors of this information to the burden of mailing written notices. Rather, this provision was intended to include persons required to give notice to vehicle owners within the category of persons having a legitimate reason to obtain motor vehicle registration information. Your Committees therefore concur with the intent and purpose of this bill.

Your Committees, however, are concerned that the wider access that this bill provides to such information may increase risk of abuse and invasion into individual rights of privacy despite the statutory and regulatory safeguards now in place. Your Committees have therefore amended the bill to delete the statutory amount of the surety bond required of persons obtaining the entire motor vehicle registration file, and to instead allow the amount of the bond to be determined by the Director of Transportation pursuant to rules adopted in accordance with Chapter 91, Hawaii Revised Statutes. Your Committees have also inserted a new subsection holding the State harmless from any claims made against it for the improper use or release of such information.

Your Committees have also amended the bill by removing Section 1, the "purpose" section, as unnecessary because the purpose of the bill is adequately characterized herein.

Your Committees further amended the bill by making technical, nonsubstantive amendments.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1588, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1588, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 518 Transportation on H.B. No. 1317

The purpose of this bill is to amend Section 291-34, Hawaii Revised Statutes, by reducing the allowable vehicle width on interstate highways and certain qualifying federal aid highways from nine feet to eight and one-half feet and by eliminating the length limitations on motor vehicles and other power vehicles which are coupled, motor vehicles and motor vehicles with attached trailers or semitrailers, and truck-tractor semitrailer combinations on such highways. This bill will also amend Section 291-38, H.R.S., by deleting the provisions thereof which prohibit enforcement officers from issuing citations unless the violator exceeds the maximum allowable weight by more than five per cent.

Your Committee finds that the amendments proposed by this bill to the statutes governing vehicle width and length limitations on interstate highways and certain qualifying federal aid highways are necessary to comply with the U.S. Department of Transportation Assistance Act of 1982 and that such compliance is necessary to protect federal aid highway funds.

H.B. No. 1317, as introduced, provided, at page 1, line 11, that the vehicle width restrictions include "load" but exclude "certain safety devices". Your Committee has amended this bill to use language from the Federal Register, Vol. 48, No. 24, p. 5211, to specify that mirrors and certain other safety devices as determined by the Director of Transportation shall be excepted from vehicle width measurement.

For the sake of uniformity throughout this bill, your Committee amended this bill to make clear at page 1, lines 13-14 that the "certain qualifying federal aid highways" on which the vehicle width restrictions of Section 291-34, H.R.S., apply are to be designated by the Director of Transportation.

Your Committee received testimony that the vehicle weight tolerance provisions of the U.S. Department of Transportation Assistance Act of 1982 do not address roads other than interstate highways. Your Committee also received testimony that the five per cent weighing tolerance provided in Section 291-39(c), H.R.S., is essential to efficient loading of certain agricultural goods. Therefore, your Committee has amended this bill to retain the five per cent tolerance and to provide an exception to this tolerance in the case of interstate highways. Your Committee also made several technical, nonsubstantive amendments.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1317, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 519 Ocean and Marine Resources and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 837

The purpose of this bill is to define bullpen traps.

Your Committees find that this bill would enable the Department of Land and Natural Resources to better enforce unlawful use of bullpen traps.

Your Committees have amended Section 188-29 by renumbering subsection (b) to paragraph (7). Your Committees further amended the bill by adding a new subsection (b) which authorizes the Department of Land and Natural Resources to promulgate rules relating to the requirements for escape openings or devices on any type of traps. Your Committees repealed Section 3 in favor of regulations relating to fishing with gill nets or traps, promulgated pursuant to Chapter 91.

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

Your Committees on Ocean and Marine Resources, and Water, Land Use, Development,

and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 837, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 520 Housing on H.B. No. 1620

The purpose of this bill, as received by your Committee, is to clarify Section 519-3, Hawaii Revised Statutes (relating to renegotiation of leases of cooperative housing corporations) so that the section clearly applies to subleases executed by and subleases assigned to cooperative housing corporations. The bill also amends the formula for determining the renegotiated lease rent payable by cooperative housing corporations, by limiting the multiplier to four per cent.

Your Committee finds that the statute is currently unclear as to whether sublessees or assignees are included in Section 519-3. Your Committee believes that the original intent of the legislature was that cooperative housing corporations which are sublessees or assignees not only lessees, are entitled to protection under this section.

Your Committee amended the bill to retain the current language for determining the lease rent payable by cooperative housing corporations. Your Committee heard testimony from the Hawaii Housing Authority, the Hawaii Association of Realtors, and Bishop Estate expressing concern regarding the fairness of the four per cent multiplier proposed in the bill in calculating the renegotiated rent amounts. Your Committee has therefore deleted this proposed amendment.

Your Committee also made other non-substantive technical changes.

Your Committee on Housing is in accord with the intent and purpose of H.B. 1620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1620, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 521 Water, Land Use, Development and Hawaiian Affairs and Ocean and Marine Resources on H.B. No. 519

The purpose of this bill is to amend Section 188-35, Hawaii Revised Statutes, in order to include a portion of Kailua Bay on the Big Island for pole-and-line fishing only.

According to testimony, a present conflict exists between pole-and-line fishermen, fishing from the Kailua Bay seawall, and net fishermen, fishing in the waters in the immediate vicinity. Concern is specific to alleged intrusion by commercial fishermen into the shoreline areas abutting the Kailua seawall. The bill would address this concern by restricting commercial fishing and bait-taking from the waters fronting the seawall.

Your Committees find that the bill has merit but does not provide for public input in the delineation of boundaries which will reduce conflict between the different and competing modes of fishing. In the interest of the public and its input, your Committees have deleted from the bill lines 18-22, page 2, designating the boundaries without public hearing, and have added, following line 17, page 2, the phrase "to be delineated by the department of land and natural resources pursuant to Chapter 91, Hawaii Revised Statutes;".

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 519, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 519, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hee, Kiyabu-Saballa and Isbell.

SCRep. 522 Higher Education and the Arts on H.B. No. 338

The purpose of this bill is to amend Section 304-20 of the Hawaii Revised Statutes to allow the advisory committee known as the Teacher Education Coordinating Committee

(TECC) to meet ten times within any calendar year on matters of education of common interest to the department of education and accredited institutions of higher learning in Hawaii. Under present law, the TECC meets twelve times within any fiscal year.

The Committee finds that the proposed change from twelve to ten meetings per calendar year will enable TECC to achieve its required quorum by more properly reflecting the work schedule of the involved institutions. In addition, much of the work of the TECC can be executed through more subcommittee task force meetings and fewer committee of the whole meetings. The proposed change also provides a flexibility for meeting more than ten times per year when business of the committee requires it.

Your Committee has amended H.B. No. 338, to correct a drafting error in the bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 523 Education on H.B. No. 1434

The purpose of this bill is to seek the return of borrowed library materials on a timely basis and to assess a nominal penalty to borrowers if library materials are not returned one day past the due date.

Your Committee finds that at the present time, approximately fifteen percent of all borrowed public library materials are kept past the due date, whereas in areas that fines are assessed, the average is three percent to five percent. The experience of King County, Washington, whose circulation of five million is comparable to Hawaii, showed that a nominal charge of \$.10 per day generated annual revenue of \$230,000 to \$250,000.

Under Section 312-3.5, Hawaii Revised Statutes, fines may be assessed seven days after the mailing date of a written notice stating that such books or library materials are to be returned to the library or institution. Because of the variance in workload, not all libraries are able to send a written notice promptly after the due date. Consequently, overdue charges would vary from public library to public library, depending on when each library is able to send out the written notice.

Your Committee is in concurrence with testimony received from the State Librarian and has amended Section 1 of H.B. No. 1434 to generally provide that fines shall be applicable to materials borrowed from the public libraries as distinguished from materials borrowed from the school library system and has inserted the word "public" on lines three, nine, and fifteen on page one and on lines one and four on page two.

Your Committee has further amended Section 1 of H.B. No. 1434 by deleting the word "Wilful" from the title and the words "wilfully and knowingly" from line four, on page one. These amendments are based on testimony received from the Department of Education and the Office of the Attorney General, stating that it would be difficult to prove wilfulness in detaining public library material.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1434, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Takamine and Jones.

SCRep. 524 Education on H.B. No. 752

The purpose of this bill is to amend current law to require some form of restitution from pupils found responsible for school vandalism, which may include monetary restitution by the pupil and his or her parents or guardian. Where damages do not exceed \$3,500, the school principal determines the restitution to be set after an informal hearing with the pupil and his or her parents or guardian. Guidelines are provided for determining the restitution to be imposed, and observation of the hearing by a representative of the district superintendent is eliminated.

The present requirement of a voluntary restitution agreement is retained for monetary restitution only. Under this bill, pupils will be directed to perform any non-monetary restitution by the principal. The bill also requires follow-up by the principal to assure that restitution is completed.

Where no restitution agreement is reached or where restitution is not completed, the case is transmitted to the district superintendent for discretionary referral to the attorney general for legal action. All cases where damages exceed \$3,500 are referred through the district superintendent to the attorney general for action. All school records concerning the incident are to be destroyed six months after restitution is completed, and access to information about the case is restricted to law enforcement personnel conducting an investigation of the vandalism.

Your Committee finds that public school vandalism is still a major problem in Hawaii and that this bill would strengthen each school's response to destructive acts by its students.

By making restitution mandatory, the principal will be in a stronger position in dealing with recalcitrant students, parents and guardians. This bill will also make the consequences for acts of vandalism more sure, and emphasize students' responsibility for their acts.

Your Committee also finds that the current law places unnecessary burdens on both the principal and school district office staff by requiring the principal to draft formal written agreements with the pupil, parents or guardian whenever restitution is imposed, and by mandating attendance by a school district representative at every meeting between the principal, students, and parents or guardian. This bill modifies these requirements to reduce the administrative burden.

Your Committee has made nonsubstantive technical amendments to the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 752, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 525 Consumer Protection and Commerce on H.B. No. 440

The purpose of this bill is to permit insurers to refuse to renew optional insurance coverage in excess of required minimums when insureds fall within statutorily-defined high risk classes, and to provide that principles of law and equity regarding fraud and misrepresentation of material facts are applicable to the optional excess coverage.

Supporting testimony was provided by the Hawaii Independent Insurance Agents Association, the Hawaii Insurers Council, and the Department of Commerce and Consumer Affairs.

Under present law, even if an insured's risk changes over time, an insurer is not permitted to unilaterally reduce excess coverage. This bill will make the situation more equitable for insurers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 440 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 526 Consumer Protection and Commerce on H.B. No. 274

The purpose of this bill is to improve the operation and administration of the law relating to motor vehicle reparations by clarifying the definition of "motor vehicle", requiring insurers to pay no-fault claims within 15 days, providing that payment of no-fault benefits are secondary to social security and workers' compensation benefits, and allowing the insurance commissioner to award attorney's fees in no-fault administrative hearings and retain jurisdiction over claims which exceed \$5,000 solely by virtue of late-payment penalties.

Testimony was given by the Department of Commerce and Consumer Affairs in support

of the bill and further recommending that no-fault benefits be paid secondary only to workers' compensation benefits.

Testimony was received from the Hawaii Independent Insurance Agents Association and the Hawaii Insurer's Council objecting to requiring payment of claims within 15 days. It was felt that such a short time period would impede adequate investigations of claims. The insurance industry supported the change to make no-fault benefits secondary only to workers' compensation benefits.

Presently, there is no requirement that an insurer pay a no-fault claim within any time period, however interest begins to accrue after 30 days at 1 1/2% per month. In addition to requiring insurers to pay within 15 days, this bill imposes a penalty for failure to pay and interest after the 15 days. Your Committee feels that the 15 day period is too short and has amended this bill to require payment within 30 days. The penalty for failure to pay will substantially serve to strengthen the former law.

Your Committee is in agreement with the testimony that no-fault benefits should be secondary only to workers' compensation benefits and not to social security benefits and has amended the bill accordingly.

Your Committee has also amended this bill for clarity and to correct omissions and incorrect use of the Ramseyer format.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 274, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 527 Health and Consumer Protection and Commerce on H.B. No. 1380

The purpose of this bill is to permit the merchandising, by self-service display, of unpackaged processed foods.

Your Committees find that there are no existing laws regarding this common business practice, which invites confusion and conflict between the department of health and businesses that sell unpackaged processed foods including dried beans, nuts, seeds and fruit, snack items, grains and coffee beans. Recent efforts by the department of health to outlaw this business practice met with strong opposition from the food industry and some consumers.

This bill allows wholesalers to purchase products for sale in bulk rather than pre-packaged form. Testimony from the Hawaii Food Industry Association indicates that this would cut costs by approximately one-fourth, a savings that would be passed on to consumers.

This bill is identical to California legislation passed in 1978 (section 28837, Display of Unpackaged Processed Foods, California Health and Safety Code). According to testimony from the HFIA, no health problems or diseases were reported in that state as a result of this merchandising method.

Your Committees find that implementation of this measure should include steps to prevent the misuse of self-service containers by unsupervised, young children. This includes the display of unpackaged processed food containers at heights not easily accessible to young children and the use of self-service containers that are "child-proof", i.e., that require dexterity and motor coordination superior to that of a young child.

Your Committees find that this bill otherwise provides reasonable safeguards that protect the public health.

Your Committees on Health and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1380 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 528 State General Planning on H.B. No. 271

The purpose of this bill as received by your Committee is to amend the Hawaii State Planning Act to establish the State Functional Plan Advisory Committees as permanent advisory bodies to the State agencies responsible for preparing, implementing, and monitoring the functional plans.

Under the existing provisions of Section 226-57, HRS, State Functional Plan Advisory Committees are established as temporary bodies which cease to exist upon the adoption of the respective State Functional Plans. However, since State Functional Plans have been conceived of as "living" documents subject to continuous monitoring, refinement, and updating, it is evident that Advisory Committees can play a major role in assisting State agencies in this ongoing function. The value of the Advisory Committees in the State's planning process has been amply demonstrated over the past four years. The Advisory Committees have made a sincere commitment toward the development of the State Functional Plans, contributing immeasurable time and expertise to ensure that the plans truly reflect the varied concerns of our statewide community.

Your Committee has amended this bill to designate any elected policy-making board with statewide representation for an agency as the State Functional Plan Advisory Committee. This designation would take effect upon passage of the respective functional plan. Your Committee finds that for those departments headed by a single executive, the State Functional Plan Advisory Committee serves a legitimate purpose of bringing to the planning system a broad range of views. However, in the case of the Department of Education, your Committee finds that this broad representation of views is already provided by the Board of Education, whose members are elected by the people of every county in the State of Hawaii. Furthermore, the seven District School Advisory Councils, whose members are appointed by the Governor and come from every county in the State, are established by law to advise the Board of Education. Thus, together with the Board of Education and the School Advisory Councils, the State Education Plan Advisory Committee would become a third representative group overseeing the Department of Education's implementation of the Education Functional Plan. Your Committee therefore believes that having three committees guide the Department of Education's implementation and monitoring of the State Education Plan would result in duplication and unnecessary coordination.

Your Committee has therefore recommended that the Advisory Committee's duties be undertaken by the Board of Education upon adoption of the State Education Functional Plan. These duties include the submittal of Advisory Committee reports to the Policy Council and advising the Department in the implementation, monitoring, and update of the State Education Plan.

Your Committee also made organizational and technical, nonsubstantive amendments for the sake of clarity.

Your Committee on State General Planning is in accord with the intent and purpose of H.B. No. 271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 271, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 529 State General Planning and Human Services on H.B. No. 1179

The purpose of this bill, as received by your Committees, is to amend the Hawaii State Planning Act to mandate the preparation of a functional plan for human services.

Your Committees note that the overall theme of the Hawaii State Plan emphasizes individual and family self-sufficiency, social and economic mobility, and community and social well-being, and that objectives and policies are also provided in the Plan for socio-cultural advancement-social services. Your Committees believe that the preparation of a State Functional Plan for human services would be consonant with and also further define and implement the Hawaii State Plan.

Your Committees find that changing economic and social conditions have fostered an increasing demand for social services at a time when fiscal resources are constrained, a situation which threatens to bring chaos among the wide range of service types, client groups, providers, and funding sources. Given these pressures, your Committees believe that existing trends and needs in this area should be comprehensively examined in order to develop a systematic, cohesive set of policies and priority actions to meet

these needs and provide a fair and rational basis for resource allocation decisions. Directions and priorities for public programs, in conjunction with private programs, should also be defined within the context of an overall plan to ensure adequate coverage of needs and coordination among services and their providers.

Your Committees recognize that the field of social services, as noted above, is highly complex and encompasses a broad range of activities. Your Committees believe that the proposed human services functional plan should address a range of pertinent activities in a manner which is comprehensive, yet manageable, particularly addressing those services and issues which are not already handled by the Education and Health Functional Plans. In defining the parameters of the proposed human services functional plan, your Committees suggest that the Policy Council and proposed Advisory Committee for the plan primarily consider the following areas:

- (1) Public Assistance
- (2) Medical Assistance
- (3) Vocational Rehabilitation
- (4) Foster Care and Adoption Services
- (5) Home Care and Respite Services
- (6) Child and Adult Protective Services
- (7) Status Offender Services
- (8) Refugee Assistance.

Your Committees also agree that the Department of Social Services and Housing is the appropriate lead agency for preparing the plan, with input provided from other state and county agencies as well as from private organizations. An Advisory Committee composed of members of the public, experts in the field, and State and County officials should be formed as specified in Section 226-57(c) of the Hawaii Revised Statutes to advise the Department in the preparation of the plan.

Your Committees have amended this bill on page 5, line 14, by deleting "1984" and inserting "1985". The amendment is necessary to provide a more realistic time frame for the preparation of the new functional plan. Your Committees have also amended the bill by inserting a new section requiring the Department of Social Services and Housing to submit a status report on the preparation of the plan to the Legislature 30 days prior to the convening of the 1984 Regular Session.

Your Committees have further amended all references to the "human (social) services" functional plan to read "human services" functional plan to adopt the more encompassing term for the sake of clarity. Your Committee also made technical, nonsubstantive comments.

Your Committees on State General Planning and Human Services are in accord with the intent and purpose of H.B. No. 1179, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1179, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 530 Judiciary on H.B. No. 241

The purpose of this bill is to enable the guardian of a person to voluntarily admit the ward to a psychiatric facility upon a finding by the court based on clear and convincing evidence that the ward is chronically mentally ill and in need of treatment or care. The power of the guardian of the person to voluntarily admit the ward to a psychiatric facility is limited to a maximum of sixty days in any one twelve-month period.

Your Committee has received testimony from the State Department of Health and the Family Court in support of the bill. However, there were testimonies from the Hawaii State Mental Health Advisory Council, the Mental Health Association in Hawaii, and the National Association of Social Workers who expressed concerns over possibilities of abuse by guardians to voluntarily hospitalize mentally ill persons.

Your Committee is aware of the due process rights of mentally ill persons and rejects the idea of the unchecked powers of a guardian to voluntarily hospitalize an incapacitated person. The Family Court has testified that the bill does provide constitutional guarantees because it is the court that must grant the guardian the power to voluntarily admit a person to a psychiatric facility. Further, the bill requires a court finding that the mentally ill person is chronically mentally ill and in need of periodic hospitalization or treatment in order for this power to be given.

Your Committee further finds that the sixty-day limitation is reasonable and based on the average number of days of treatment from data collected from the Task Force on Guardianship.

Your Committee has amended the bill by requiring that the court finding be based on clear and convincing evidence as recommended by the Family Court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 241, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Andrews and Honda.

SCRep. 531 Judiciary on H.B. No. 1557

The purpose of this bill is to allow the director of the Department of Health to place defendants charged with misdemeanors or felonies, not involving violence or attempted violence, in the appropriate least restrictive environment in light of the defendant's treatment needs and the need to prevent harm to the person confined and to the person of others.

The Department of Health and the Mental Health Association in Hawaii testified in support of the bill.

Your Committee believes placing the defendant in the least restrictive environment that the Director recommends, will allow the defendant the opportunity for appropriate treatment and at the same time protect the person confined and the community. This bill should have the effect of developing more alternatives for treatment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1557 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
Andrews and Honda.

SCRep. 532 Judiciary on H.B. No. 897

The purpose of this bill is to provide that the offense of promoting a detrimental drug in the first degree shall be a class B felony for a person who possesses one or more preparations, compounds, mixtures, or substances of an aggregate weight of twenty-five pounds or more containing any marijuana.

The Honolulu Police Department and the Honolulu Prosecuting Attorney testified in support of the bill.

Presently, promoting a detrimental drug in the first degree is a class C felony even when a person is in possession of a large amount of marijuana. Your Committee believes this bill will more properly punish those who profit from the sale, importation, or exportation of large amounts of marijuana.

Your Committee is in accord with the intent and purpose of H.B. No. 897 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
Andrews and Honda.

SCRep. 533 Judiciary on H.B. No. 188

The purpose of this bill is to provide that police records concerning traffic accidents in which a child or minor coming within section 571-11(1) of the Hawaii Revised Statutes shall be available for inspection after court disposition or after six months from the accident, whichever is earlier, by the parties directly concerned in the accident or their attorney.

Your Committee has heard testimony from the Honolulu Police Department and the Family Court in support of the bill. The Family Court expressed concern regarding

the inspection of records of all proceedings under chapter 571 (children's cases) and under chapter 584 (paternity proceedings) by the police department of the several counties. Your Committee agrees with the Family Court that there is no justifiable reason for the police to have access to these court documents. Accordingly, your Committee has amended the bill by deleting the proposed language on page 1.

Your Committee has further amended the bill by adding "provided in subsection (f) herein or as" on page 3, line 5, of the bill and creating a subsection (f) with the last sentence of subsection (e) for clarity. Your Committee has also left the present language of the statute on page 3, lines 13 to 15, of the bill and added a comma and the words "injury or damage" on page 3, line 13, of the bill, thereby extending the definition of party to the accident to any person who may sue because of injury or damage.

According to the recommendations made by the Family Court, your Committee has also amended the bill by clarifying the language of subsection (g) so that the disclosure of information is in accord with Family Court Rules. Your Committee has also made technical, nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 188, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 534 Judiciary on H.B. No. 352

The purpose of this bill is to amend section 134-10 of the Hawaii Revised Statutes, to prohibit possession by anyone of a firearm or ammunition upon which any mark of identity is altered, removed, or obliterated. The bill also provides that any person who violates this section shall be guilty of a misdemeanor.

Your Committee has heard testimony in support of the bill from the Maui Prosecutor's Office and the Honolulu Police Department that alteration of a serial number could only be indicative of criminal involvement. The Hawaii Federation of Sportsmen, the Pig Hunter's Association of Oahu, and Sportsman's Rod and Gun Club have testified in support of the intent of the bill but feel that the bill is too broad and does not allow for legitimate gun repairs and alterations.

Your Committee recognizes this concern but notes that the statute refers to alteration of the name of the make, model, manufacturer's number, or other mark of identity and not legitimate modifications.

Your Committee has amended the bill for clarity by deleting the phrase "of any description" on page 1, line 8.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 352, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 535 Judiciary on H.B. No. 499

The purpose of this bill is to include osteopathic physicians and osteopathic physicians and surgeons licensed to practice under chapter 460 on a medical claim conciliation panel for each claim filed pursuant to section 671-12, Hawaii Revised Statutes, should the claim be made against one of their colleagues.

The Board of Osteopathic Examiners, the Department of Commerce and Consumer Affairs, and the Hawaii Medical Association testified in support of the bill. The Committee recognizes the effectiveness of the Medical Claims Conciliation Panel program and believes that osteopathic physicians and osteopathic physicians and surgeons should be included.

Your Committee has taken the recommendation of the Department of Commerce and Consumer Affairs to provide that the third panel member of the conciliation panel should be appointed from a list submitted annually by the Board of Medical Examiners or from the list submitted by the Board of Osteopathic Examiners. The bill has been amended accordingly.

Your Committee has also made a technical amendment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 499, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 536 Judiciary on H.B. No. 1342

The purpose of this bill is to require that persons released on conditional release pursuant to section 704-411 of the Hawaii Revised Statutes shall continue to receive psychological or psychiatric treatment.

Your Committee feels that the assurance of such treatment is essential to a person released on condition after commitment on the grounds of physical or mental disease, disorder or defect, for the safety and welfare of the individual as well as the community.

Testimony in support of the intent and purpose of this bill was submitted by the Judiciary and by the Department of Health. However, both departments have suggested various changes to clarify the measure.

Your Committee is in agreement with these suggestions and has accordingly amended the bill as follows:

(1) In section 1, lines 10, 11 and 14, of the bill the term "mental health professional" is substituted for the word "physican". This change acknowledges the possibility that a non-physician, such as a clinical psychologist or a psychiatric social worker, may be providing the required treatment.

(2) In section 1, line 13, of the bill the phrase "or otherwise requires continued hospitalization" is amended to read "or there is other evidence that hospitalization is appropriate" for clarity.

(3) In section 1, line 16, the phrase "and treating physician" is deleted to eliminate any implication that physician are officers of the court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1342, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 537 Public Employment and Government Operations and Health on H.B. No. 1121

The purpose of this bill is to exempt hospital administrators, assistant administrators and the hospital systems executive officer from civil service status and to allow the director of health to contract with private individuals or corporations for the management of the entire system or its individual parts.

Your Committees find that the provisions of this measure would increase the flexibility of the department of health in managing the county/state hospital system. According to testimony from the department of health, administrative vacancies in neighbor island hospitals threaten their operations because of the considerable leadership role exercised by these administrators. The recruitment and establishment of a new administrator under civil service rules is a lengthy process which may leave a neighbor island hospital without on-site leadership for lengthy periods of time. Recruitment itself may be difficult because in many cases, only the lowest step in a salary range can be offered to a candidate.

Your Committees find that this bill provides for the contracting out of management services to the private sector, which is a cost-effective alternative to the present system of management.

Your Committees find that the bill in its existing form does not provide for full evaluation of the contracting out of services before such contract commitments, including monies, are made at other county/state hospital facilities. Thus, your Committees have amended

section 1, page 3, lines 1 to 5 of the bill by restricting the director of health to contract management services solely for hospital administrators, assistant administrators and the hospital systems executive officer. The contracting of management services is limited to Hilo Hospital on a trial basis, and such contracts shall not exceed a term of twenty-four months nor extend beyond July 1, 1985.

Your Committees fully recognize that the experimental nature of this measure requires close scrutiny by the Legislature. Thus, your Committees have amended this bill to require a complete report from the department of health regarding the progress of the county/state hospital system, to be submitted to the Legislature 20 days prior to the 1984 Regular Session.

Your Committees on Public Employment and Government Operations and Health are in accord with the intent and purpose of H.B. No. 1121, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1121, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives
Andrews, Hagino, Honda and Jones.

SCRep. 538 Consumer Protection and Commerce and Judiciary on H.B. No. 1299

The purpose of this bill is to amend Chapter 281 regarding intoxicating liquor to make it a misdemeanor to sell or to give any liquor to any person who is addicted to the excessive use of intoxicating liquor or to any obviously intoxicated person. The bill also exempts from civil liability a person who sells or gives liquor to any person who is addicted to the excessive use of intoxicating liquor or to any obviously intoxicated person. The bill further exempts from civil liability a social host who furnishes liquor to any person. Finally, the bill provides that any one who sells or gives liquor to any obviously intoxicated minor shall be personally responsible for damage and injuries to third parties resulting from acts or omissions of the minor.

Testimony in favor of the bill was given by the Department of Transportation and by the Hawaii Hotel Association which recommended amendments to the bill.

Your Committees have amended the bill to replace the term "habitual or common drunkard", for which there is no statutory definition, with "addicted to the excessive use of intoxicating liquor", as defined in Section 281-1, Hawaii Revised Statutes.

Your Committees, after further consideration, have deleted the section of the bill which would have exempted from civil liability one who sells or gives liquor to any person who is addicted to excessive use of intoxicating liquor or to any obviously intoxicated person because there would then be no recourse to those who are injured as a result thereof.

Your Committees have, upon reconsideration, also deleted the section dealing with selling or giving liquor to minors.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 1299, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1299, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 539 Consumer Protection and Commerce and Energy, Ecology and
Environmental Protection on H.B. No. 703 (Majority)

The purpose of this bill is to encourage the generation of nonfossil fueled generated electricity by adjusting the rate payable by the public utility to the producer of such electricity supplied to the public utility to an amount not less than \$.09 per kilowatt hour.

Your Committees find that it is the State's goal to encourage the generation of energy through nonfossil fueled sources. House Bill No. 703 proposes to set a minimum rate of payment for energy purchased from alternate energy sources to encourage such development.

While in agreement with the intent of H.B. No. 703, your Committees find that the establishment of a predetermined minimum rate of payment for energy produced from alternate energy resources may be inappropriate at this time. Therefore, your Committees have amended this bill by requiring the Public Utilities Commission to consider a reasonable rate payable by the utility for nonfossil fueled generated electricity supplied to the utility by the producer, based on a generic determination of a minimum floor a utility should pay in order to encourage the generation of electricity by this means.

Your Committees on Consumer Protection and Commerce and Energy, Ecology and Environmental Protection are in accord with the intent and purpose of H.B. No. 703, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 703, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Andrews, Honda, Say and Takamine.
(Representatives Matsuura, Ikeda and Medeiros did not concur.)

SCRep. 540 Judiciary on H.B. No. 887

The purpose of this bill, as received by your Committee, is to require a mandatory fine within a range of not less than \$50 to not more than \$250 for any person who commits a litter violation.

Your Committee is in agreement with the intent of this bill. The Committee has amended the bill by retaining the current statutory provision that allows the court discretion in addition to imposing a mandatory fine to order the person to pick up and remove litter from a public place for a period not to exceed eight hours.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 887, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 887, H.D. 2.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 541 Judiciary on H.B. No. 1148

The purpose of this bill is to exempt hospital quality assurance committees and persons testifying thereto, from discovery proceedings.

Under present law, only proceedings and records of peer review committees and societies of medical, dental, and optometric staffs in hospitals having the responsibility of evaluation and improvement of the quality of care to its patients are not subject to discovery. The present law is unclear, however, whether this same protection is extended to specialty societies in these professions.

Your Committee finds that hospital quality assurance committees, composed of physicians belonging to the same type of specialty practice, which have been created in hospitals to conform to requirements of the Joint Commission on Accreditation of Hospitals needs this same protection to ensure high quality medical services and promote better communication between medical and hospital staffs through joint participation in patient care monitoring and assurance programs.

Your Committee has amended the language of the bill in its entirety to provide clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1148, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews, Honda and Ikeda.

SCRep. 542 Judiciary on H.B. No. 1438

The purpose of this bill is to reorganize Section 574-5, Hawaii Revised Statutes, to make its meaning clearer and codify administrative procedures.

Your Committee is in agreement with the reorganization of the section and approves

the requirements that the noncustodial parent's consent be notarized and that when a name change is made to protect an individual that all the documents be kept confidential.

In addition, your Committee received testimony relative to H.B. No. 1435, that at present when a noncustodial parent cannot be located or refuses to consent to a change of name for a minor, there is no alternate course of action afforded either administratively or judicially and the recourse to the Family Court would be the best means to remedy the situation.

Accordingly, your Committee has amended this bill by incorporating the provisions of H.B. No. 1435 giving a parent the right to petition the Family Court to effect a minor's name change where he or she cannot get the consent of the noncustodial parent.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1438, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Andrews and Honda.

SCRep. 543 Judiciary on H.B. No. 453

The purpose of this bill is to amend section 708-840 of the Hawaii Revised Statutes to clarify the language of first and second degree robbery by requiring that the use of force is against the person of anyone present with intent to overcome that person's physical resistance or physical power of resistance.

Your Committee has heard testimony from the Honolulu Police Department and the offices of the Prosecuting Attorney of Maui County and of Honolulu, in support of clarifying the phrases "the person of the owner" and "any person present," and believe the change in the law will improve prosecution and prevent misinterpretation.

Your Committee has amended the bill in its entirety for the purpose of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 453, as amended herein, and recommends that it pass Second Reading in the form attached herein as H.B. No. 453, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Andrews and Honda.

SCRep. 544 Judiciary on H.B. No. 494

The purpose of this bill is to amend section 711-1109 of the Hawaii Revised Statutes by making it an offense of cruelty to animals if a person knowingly or recklessly and intentionally poisons or otherwise kills an animal. The bill also provides that a person who commits the acts under section 711-1109 to an animal which is the property of a public zoo shall also be deemed to commit the offense of cruelty to animals. The bill also makes cruelty to animals a class C felony.

Your Committee has heard testimony from the Public Defender, the Hawaiian Humane Society, and the Department of Parks and Recreation of the City and County of Honolulu in support of the bill.

Your Committee agrees that intentional poisoning and otherwise killing are appropriate amendments; and zoo animals, because they are particularly vulnerable, should be protected. However, your Committee agrees with the Public Defender that the penalty should remain a misdemeanor.

Your Committee has amended the bill by deleting the class C felony penalty for cruelty to animals and retaining the previous language making cruelty to animals a misdemeanor.

Your Committee on Judiciary is in accord with H.B. No. 494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 494, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Andrews and Honda.

SCRep. 545 Judiciary on H.B. No. 351

The purpose of this bill is to enable the court, upon proper motion by an accused and prior to commencement of trial, to grant the plea of a deferred acceptance of nolo contendere.

Presently under chapter 853 of the Hawaii Revised Statutes, a first-time, criminal offender may have the benefit of having his records cleared after a successful completion of probation and other conditions imposed by the sentencing court if he enters a guilty plea before trial in order for him to avail himself of a deferred acceptance of guilty plea. The requirement of the guilty plea is to signify to the accused his recognition of his responsibility. The requirement of the guilty plea prior to trial is to prevent a criminal offender from going to trial and then asking for a deferred acceptance of guilty plea after conviction.

The significance of a nolo contendere plea is to afford protection to the accused from civil liability. In 1981, the Hawaii Intermediate Appeal Court ruled in State v. Brown that a person may have the equivalent of a deferred acceptance of guilty plea on a plea of nolo contendere despite the protection from civil suits.

Your Committee believes that this bill will ensure that an accused will have the benefit of chapter 853 by providing that it specifically apply to both guilty pleas and nolo contenderes. However, your Committee believes that if an accused avail himself of this benefit, either plea must be made before trial if deferral of the plea is to be granted. Accused persons should not have the undue advantage of going to trial and then moving for a deferred acceptance of nolo contendere as a trial tactic.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 351 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
Andrews and Honda.

SCRep. 546 Judiciary on H.B. No. 354

The purpose of this bill is to require every person arriving in the state who brings with him or causes to be brought into the state a firearm, to register the firearm within 48 hours.

Your Committee heard testimony from the Maui Prosecutor's Office and the Honolulu Police Department in support of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 354 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
Andrews and Honda.

SCRep. 547 Judiciary on H.B. No. 1562

The purpose of this bill is to require that a person accused of one or more non-violent misdemeanors or one or more felonies not involving attempted violence against the person of another shall be placed in the least restrictive environment appropriate. The bill also provides that confinement in a hospital shall only be to effectuate the accused's treatment. The bill further requires that within fourteen days after the order of confinement, a hearing shall be held to determine whether, through treatment, the defendant will likely become fit to proceed. If a person is determined not fit to proceed, he shall be released or committed pursuant to chapter 334.

The Department of Health and the Mental Health Association in Hawaii has testified in support of the bill.

Your Committee believes the bill will allow an accused the opportunity for appropriate treatment and prevent unreasonable confinement of an accused by placing a limit on the length of time he can be confined. The bill allows due process for an accused as to whether a longer period of time is necessary for his treatment.

The Department of Health recommends that the court be informed of the plan for treatment or medication. Your Committee believes the Department of Health is more qualified to assess a plan for a defendant based on their mental health and psychiatric expertise. The bill is amended accordingly.

Technical nonsubstantive corrections have been made by your Committee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1562, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Andrews and Honda.

SCRep. 548 Finance on H.B. No. 670

The purpose of this bill is to appropriate 2 million dollars to the county of Kauai to provide the 25 per cent matching amount required by the Federal Emergency Management Agency (FEMA) for damage claims of Hurricane Iwa.

According to federal regulations, all repair work must be completed within 18 months of the disaster. Kauai, therefore, must act expeditiously to ensure completion of all required repair and reconstruction. The problem, however, is that the county of Kauai does not have sufficient funds in its treasury to cover its share of the cost and without it the bidding and construction process cannot begin.

The legislature is deeply concerned about Kauai's plight and believes that in such an extraordinary situation as this, it behooves the State to immediately provide emergency assistance when the county is struggling to recover from the effects of the hurricane.

Your Committee has amended the bill to substitute \$1 for the 2 million dollar appropriation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 670, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 549 Finance on H.B. No. 779

The purpose of this bill is to provide funds for fiscal year 1983-1984 as grants-in-aid to private, nonprofit agencies for certain adult day care centers.

Your Committee has amended the bill by changing the amount appropriated to \$1 to each adult day care centers.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 779, H.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 779, H.D. 2.

Signed by all members of the Committee.

SCRep. 550 Finance 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.

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 has amended this bill by proposing that the membership of the House of Representatives shall not exceed fifty-three members.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1362, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1362, H.D. 1.

Signed by all members of the Committee.

SCRep. 551 Finance on H.B. No. 1567

The purpose of this bill 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.

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. A member who has 30 years of credited service, but not yet 62 years of age, shall also be eligible to receive a normal retirement allowance. 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 to one-half per cent up to a maximum of 4% per year not compounded.

The benefits of this new plan are that the take-home pay of public employees would increase by 7.8% and, at the same time, lower the employers' cost. Further, 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 has made numerous technical, non-substantive amendments to this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1567, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1567, H.D. 2.

Signed by all members of the Committee.

SCRep. 552 Finance 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 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 making the expending agent the governor's agriculture coordinating committee.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 170, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 170, H.D. 2.

Signed by all members of the Committee.

SCRep. 553 Finance on H.B. No. 780

The purpose of this bill is to provide funds for fiscal year 1983-1984 as grants-in-aid to private, nonprofit agencies for the operation or construction of day hospitals.

Your Committee has amended the bill by deleting Ann Pearl Day Hospital and Island Nursing Day Hospital from the day hospital programs. Your Committee has also amended this bill by changing the amount appropriated to \$2.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 780, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 780, H.D. 2.

Signed by all members of the Committee.

SCRep. 554 Finance 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.

While the Farmers Home Administration (FmHA) has implemented its disaster loan program to assist Kauai and Oahu farmers who suffered losses from Hurricane Iwa, it appears that there may be gaps in meeting qualified farmers' financing requirements. Should there be a significant number of non-qualifiers with FmHA, the State's emergency loan program will have to be activated.

The Agricultural Loan Program is sorely in need of additional moneys. Recently, it has had to provide emergency loans to Oahu dairies for heptachlor contamination and Kauai papaya farmers for phytophthora disease when the FmHA was unable to assist these farmers. The extent of recent losses to diversified agriculture makes it imperative that financial aid be provided expeditiously.

Your Committee has amended this bill by changing the appropriation amount and the effective date.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1190, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1190, H.D. 2.

Signed by all members of the Committee.

SCRep. 555 Finance on H.B. No. 1313

The purpose of this bill is to appropriate \$3,750,000 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.

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). 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.

Your Committee has amended this bill to change the appropriation amount from \$3,750,000 to \$1. Your Committee has further amended this bill to change the effective date to upon approval.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1313, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1313, H.D. 2.

Signed by all members of the Committee.

SCRep. 556 Finance 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 believes 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 has amended this bill on page 2, line 5, to add language to relate charges under the Medicare program to the same profile base year selected by the legislature for Medicaid profiles and also on page 2, line 15, to include language to make clear that the department shall set payment rate for non-institutional items and services. Your Committee has further amended this bill to make non-substantive and technical changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1583, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1583, H.D. 2.

Signed by all members of the Committee.

SCRep. 557 Finance 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 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 has amended this bill by changing the amount appropriated in Section 2 from "\$3,000,000" to "\$1".

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 45, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 45, H.D. 2.

Signed by all members of the Committee.

SCRep. 558 Finance 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 for management services for the project for \$565,000.

Hawaiian Dredging and Construction Company, a subsidiary of Dillingham Corporation and the project manager of Mini-OTEC reported that it had experienced cost overruns totalling over \$400,000 by the time the contract had expired in 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.

While your Committee agrees that Mini-OTEC was a success, and does not doubt Hawaiian Dredging's claim of cost overrun, your Committee questions the State's liability as to the contract entered into by the Research Corporation of the University of Hawaii. To allow further discussion on this matter, your Committee is appropriating \$1 for the purpose of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1339, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1339, H.D. 1.

Signed by all members of the Committee.

SCRep. 559 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 on Health is in agreement with the intent and purpose of H.B. No. 497, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Andrews, Kiyabu and Jones.

SCRep. 560 Finance 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 on Finance is in accord with the intent and purpose of H.B. No. 784, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 561 Finance on H.B. No. 781

The purpose of this bill is to pay mileage to jurors traveling to and from the courthouse.

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 is in favor of compensating jurors also for travel from the courthouse.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 781, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 562 Finance on H.B. No. 646

The purpose of this bill is to make the department of agriculture responsible for the monitoring of operations within agricultural parks 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 violations of park lease agreement to the board of land and natural resources for enforcement action pursuant to Section 171-114, Hawaii Revised Statutes.

Under the present law the board of land and natural resources is vested with the responsibility of developing and administering agricultural parks.

Your Committee finds that the department of agriculture personnel would be more capable in monitoring the operations of the agricultural parks than the department of land and natural resources. Such operations are not only of an administrative nature but also of a highly technical one 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 Committee on Finance is in accord with the intent and purpose of H.B. No. 646 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 563 Finance 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 statewide testing program, are scoring in each of 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.

Your Committee finds that, although standardized achievement test scores are made public through the media, an analysis with a discussion of systematic approaches to meet remedial needs of students of those test results is lacking. In order for the legislature to review and make recommendations on the department of education's budget requests, it is essential that the legislature have this type of analysis done to measure the progress of the department of education's programs. The Legislative Auditor's report on the "Budget Review and Analysis of the Lower Education Program" found:

"While the budget ceiling imposed by the Department of Budget and Finance should have provided the Department of Education with the incentive to review the current services portion of its budget and determine trade-offs among current programs and current service levels, virtually the entire focus in the department's budget review was on workload increases and program change requests. Consequently, the resultant budget merely continues current services levels with workload increases and program changes tacked on."

Your Committee finds that achievement test scores and the subsequent analysis and

recommendations will provide the legislature one measure by which the department of education can be held accountable.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 722, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 564 Finance on H.B. No. 532

The purpose of this bill is to provide civil service status to plant quarantine inspectors who are in the pre-departure 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. Inspectors hired after May 1978 do 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 Finance is in accord with the intent and purpose of H.B. No. 532 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 565 Finance 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.

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.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 531 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 566 Finance on H.B. No. 594

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.

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.

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 Finance is in accord with the intent and purpose of H.B. No. 594 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 567 Finance 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 on Finance is in accord with the intent and purpose of H.B. No. 809, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 568 Finance 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.

The intermediate appellate court has been disposing of cases at a very expeditious rate. This rate of judicial production can be increased appreciably with additional staff.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 791, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 569 Finance 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 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 Finance is in accord with the intent and purpose of H.B. No. 783 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 570 Finance on H.B. No. 1117

The purpose of this bill is to repeal HRS Chapter 204.

HRS Chapter 204 was enacted to authorize the department of planning and economic development to hold state fairs to promote agricultural products of the State. However, since the Hawaii Farm Bureau Federation presently sponsors the annual State Farm Fair, your Committee agrees that HRS Chapter 204 is no longer necessary.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1117 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 571 Finance 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.

Since the program was implemented in 1981, there have been no persons returned to their homelands. A total of fifteen applications has been received to date. One was approved in March 1982, but that applicant did not return because he subsequently developed health problems and needed to be hospitalized. That individual currently does not qualify to be returned as he 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 and change of heart.

At a time when the department of social services and housing is being forced to make budget cuts in all of its programs, your Committee agrees that termination of this low-demand program, which affects a very small number of persons, is justified.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1126, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 572 Finance 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. 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.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1129 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 573 Finance 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. The reappropriated existing funds will be expended by the Hawaii Housing Authority to grant funds to a nonprofit housing assistance entity and for studies that will examine and evaluate current state and county laws, ordinances, and regulations affecting the availability and affordability of housing units.

Your Committee finds that in times of uncertain state revenues, previously appropriated moneys for housing assistance programs which are presently unutilized can responsibly provide a needed source of funds to support the current and future provisions of affordable housing for low and moderate income families.

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.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1621, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 574 Finance on H.B. No. 1116

The purpose of this bill is to repeal HRS Chapter 148, Part II.

Your Committee finds that HRS 142-12 and 142-13, relating to poultry labeling, have been preempted by federal legislation and are invalid. For this reason, the remainder of Chapter 148, Part II, is no longer required. The repeal proposed by this bill is therefore in order.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1116, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 575 Finance on H.B. No. 1061

The purpose of this bill is to extend the general excise tax exemptions contained in HRS 237-29 ("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 apply to contractors and 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 on Finance is in accord with the intent and purpose of H.B. No. 1061, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 576 Finance 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.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 915, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 577 Finance 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, further identifications of stolen bicycles are adequately addressed by the requirement that these bicycles display the tag for the current year.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1237 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 578 Finance 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.

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.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 530 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 579 Finance on H.B. No. 330 (Majority)

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.

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 Finance is in accord with the intent and purpose of H.B. No. 330 and recommends that it pass Third Reading.

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

SCRep. 580 Finance on H.B. No. 325

The proposed amendments repeal HRS 346-53(c) and 346-55 which were specifically adopted to provide the department of social services and housing (DSSH) with a statutory base to establish the federal program of Aid to Families with Dependent Children (AFDC). The use of this statutory base, however, has been replaced by HRS 346-7, Acceptance of grants-in-aid or outright grants, and HRS 346-14(6) 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.

This bill will resolve a difference between the State provision and the federal AFDC program. HRS 346-55(2) provides for assisting children up to age 18 years and up to 21 years if regularly attending school. Federal AFDC law since October 1981 under the Omnibus Budget Reconciliation Act reduced age eligibility to age 19.

The provisions proposed for repeal by this bill have also contributed to misinterpretation. HRS 346-53 and 346-55 infer that any child who is needy, under age 21, regularly attending school, deprived of parental support or care, and living in a home with a specified relative is independently eligible for public assistance. Your Committee finds that the Legislature never intended to provide a basis for parents to abrogate their legal responsibility to support their minor children and have minor children become applicants for public assistance.

In light of HRS 346-7 and 346-14(6) which provide DSSH with the statutory base it needs to participate in federal programs, your Committee strongly supports this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 325 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 581 Finance 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.

Civil service employees may now serve on loan to another government, to the legislature, to exempt positions 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 on Finance is in accord with the intent and purpose of H.B. No. 265, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 582 Finance on H.B. No. 233 (Majority)

The purpose of this bill is to expand the situations whereby 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 for reasons such as protocol assignment, civil defense training exercise, or to provide assistance at numerous special departmental functions.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 233 and recommends that it pass Third Reading.

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

SCRep. 583 Finance on H.B. No. 206

The purpose of this bill is to authorize the State Immigrant Services Center to enter into contracts for such services as may be necessary to carry out its statutory duties.

Your Committee is in agreement with this authorization to allow 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 Finance is in accord with the intent and purpose of H.B. No. 206 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 584 Finance on H.B. No. 6

The purpose of this bill is to implement Article VII, Section 12 of the State Constitution, pertaining to the authorization of the issuance of special purpose revenue bonds by the counties. This bill will allow the counties to assist a processing enterprise in the financing of the design, acquisition, coordination, installation, or modification of pollution control projects for the disposal of solid waste 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 landfill 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.

The disposal of solid waste is the responsibility of the various counties. However, the City and County of Honolulu finds itself unable to finance solid waste disposal projects, such as the once-proposed HPower project, alone. It is therefore seeking to contract with the private sector for the development of such a project. Access to the tax exempt bond market by the project contractor would lower the project costs and, in turn, reduce the costs of disposing municipal refuse.

The State Constitution allows the counties to issue special purpose revenue bonds upon authorization by the legislature. This bill provides that authorization.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 6, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 585 Finance 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.

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. To attempt to give all industrial loan companies equal notice, the effective date of the bill is July 1, 1983. However, the required date to have insurance is July 1, 1984.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1580, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 586 Finance 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 since such data is of continuing interest to the legislature and should be systematically collected and analyzed.

Your Committee also finds that for comparative purposes a report on the disposition of funds from the special needs fund, the predecessor of the SPF, be submitted with the first annual report on the SPF.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 182 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 587 Finance on H.B. No. 137

The purpose of this bill is to appropriate \$332,019.82 for the compensation awards made to victims of crimes by the Criminal Injuries Compensation Commission pursuant to Chapter 351, Hawaii Revised Statutes.

Your Committee wishes to express its concerns over the judgmental nature of "pain and suffering" awards and how best to afford equitable treatment to victims. Your Committee also wishes to express its 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.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 137 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 588 Finance on H.B. No. 1

The purpose of this bill is to provide appropriations for the fiscal biennium, 1983 to 1985.

In deliberating on this bill and other bills which affect state finances, your Committee was faced with the dilemma of an uncertain revenue picture on the one hand and demands for funding which far outweighed existing resources on the other. The Executive Budget, as received by the Legislature, was originally based on certain revenue assumptions which are no longer valid. Consequently, the Executive Branch has indicated that spending restrictions will be applied in the 1983-85 biennium to insure that expenditures remain within the limits of available resources. While your Committee agrees that the current revenue outlook is not on a par with original estimates, indications are available which suggest that an improvement in the economy and subsequent revenue upturn may be forthcoming. These indications include the State's unemployment rate, which remains among the lowest in the nation; information from the Department of Planning and Economic Development which indicates a modest recovery in the State's economy; and renewed activity in the tourist industry, which enjoyed an extremely good month of February in terms of room occupancies.

With potential economic recovery indicators in mind, your Committee's overall approach to the budget and other measures having financial implications has been one of caution tempered with measured optimism regarding the status of future revenue collections. Consequently, the budget reflects your Committee's attempt to maintain all of the necessary levels of services provided by State government, despite falling revenues. In total, the budget is less than the Executive version by approximately \$13.4 million in FY 1983-84 and \$29.1 million in FY 1984-85. Reductions in the budget were made in instances where your Committee agreed that essentially the same level of services could be provided with less dollars and/or personnel or in situations where programs no longer serve essential or useful purposes as originally intended.

Your Committee does realize that the Executive's proposed spending restrictions for the 1983-85 biennium are greater than the reductions made in this budget. The optimism indicated earlier on the State's revenue picture accounts for this difference. However, because of the potential need for further budget reductions in the unfortunate event that revenue collections do not improve, section 67 of this bill provides a mechanism for the Legislature to determine where further reductions should be made and in what amounts.

The remainder of this report covers specific budget decisions made by your Committee as follows:

Economic Development

Your Committee recognizes that certain loan programs have played significant roles in the diversification of the State's economic base and have provided employment opportunities for local residents. For these reasons, funds have been provided to replenish the revolving funds for the Small Fishing Vessel Loan Program and the Hawaii Capital Loan Program.

Realizing the importance of tourism in Hawaii, your Committee has provided substantial amounts of funding to encourage continued growth of this major industry. Funding for a contract with the Hawaii Visitors Bureau has been increased by an average of 26 per cent during the biennium. Additionally, funds have also been provided for the promotion of tourism in Asia, particularly Japan, since the purchasing habits of this segment of the tourist market contribute substantially to Hawaii's economy. To increase our children's awareness of the positive aspects of tourism, funds have been provided for production of a film on the educational benefits of tourism by the Visitor Industry Education Council.

In consideration of Act 89, SLH 1982, which transferred the responsibility for agricultural product promotion from the Department of Planning and Economic Development to the Department of Agriculture, funding has been continued at the same level as the current fiscal year for this important function. Your Committee wishes to emphasize, however, that the funds are intended to be expended at the sole discretion of the Department of Agriculture and, therefore, has included language in this bill to express such intent.

In view of the effectiveness of and support received for the Hawaiian fresh pineapple 1982 promotion, your Committee has continued funding for this program. Unlike the current fiscal year, however, promotional activities will not be limited to only the western regions of the mainland United States and Canada. Your Committee believes that extension of the fresh pineapple campaign throughout the United States and Canada will produce even greater results in increasing consumer interest in and demand for Hawaiian fresh pineapples as well as in improving the stability of this major agricultural industry in Hawaii.

Employment

In September of 1982 the Comprehensive Employment and Training Act of 1973 (CETA) expired resulting in reduced services for employment training due to the absence of federal funds. However, permanent legislation known as the Job Training Partnership Act of 1982 (JTPA) has been passed and "block granting" of funds to states will occur under the "new federalism" concept, shifting human services responsibilities from national to state control. It is expected that in October 1983 the federal government will delineate program responsibilities and identify funds to be granted. As a result, changes in organization, operations, and the availability of moneys appear probable at that time. Your Committee is aware that JTPA may have significant impact in the employment program area and requests that the State Department of Labor and Industrial Relations keep abreast of any changes resulting from JTPA so as to minimize the effects of any federal funding reductions. It is your Committee's intent to reexamine the employment

program during the supplemental year to make any necessary reductions resulting from changed program responsibilities or availability of federal funding.

Transportation Facilities and Services

Highway financing remains a concern due to increased operating and maintenance costs of the state highways, debt service on bonds issued for highway purposes and capital improvement projects, and the loss of excise tax transfers into the highways special fund on June 30, 1984. However, your Committee also recognizes the need for continued repairs and maintenance of highways. Consequently, maintenance funds have been moved from fiscal year 1984-85 to fiscal year 1983-84 to maintain the present level of highway repair.

Environmental Protection

In recognition of the need to immediately assess the impact upon humans, animals, and the environment of chemicals, pesticides, non-ionizing radiation, and various forms of pollution, your Committee has provided funds to contract out for necessary environmental toxicologist services.

Health

Purchase of service

In the current session, committees of the Legislature, more than ever before, have been deluged with requests for funding by private organizations. The volume of requests is the result of several circumstances: the cutback in federal funds; the lack of budgetary constraints which led to departments recommending far higher levels of funding for private organizations than could ultimately be accommodated in the executive budget; and the generally haphazard implementation of Chapter 42, the statute on grants, subsidies, and purchases of service, as reported by the Legislative Auditor.

With funding requests exceeding funding resources by a wide margin and with the general lack of hard data on the potential effectiveness of the programs proposed for funding, legislative committees have been hard pressed in deciding which programs should be funded and which programs should be deferred. In addition, there are special funding problems, such as that of the mental health division of the Department of Health, which deferred making decisions on purchases of service requests which it received.

Your Committee believes, as the law intends, that the primary responsibility for evaluating the purchases of service requests of the private agencies rests with the executive agencies. They are the ones in the best position to review the request of each potential provider and to analyze each program's costs, effectiveness, and advancement of state objectives. By holding the executive agency responsible for the selection of the provider and the expenditure of public funds by the provider, program accountability would be enhanced.

Consequently, in the specific situation of the purchases of service for mental health and substance abuse programs, your Committee has provided for a lump sum appropriation of \$1,577,061. This is the amount which is to be used for purchases of service under the program for community-based services for mental health program (HTH 401), and the Department of Health has the authority to select and fund those private organizations which can best achieve the program's objectives. The granting of this lump sum authority, however, does not relieve the department from complying with existing statutory requirements concerning qualifying standards of private organizations, conditions and contracts for the transfer of funds, and monitoring and evaluation.

In order for the Legislature to determine whether the lump sum method of funding purchases of service might be extended to other programs, the Department of Health has been directed under separate proviso in the budget document to submit a report to the Legislature, not less than twenty days prior to the 1984 session, which will provide details as to how the lump sum has been applied, including: (1) the criteria used in selecting the providers; (2) the sum allocated to each provider; (3) a description of each program or project being funded, including the objectives being sought, the services being provided, and the target group being served; and (4) the criteria to be used to evaluate the program or project.

Your Committee believes that, if lump sum authority for purchases of service can be responsibly and effectively exercised by executive agencies, this would relieve the Legislature of having to make individual decisions on the various purchase of service

requests. Legislative attention can then be directed on the other type of funding over which the Legislature should exercise direct appropriations control: the funding of one-time grants for private organizations.

Laboratory testing

Your Committee notes that the Department of Health laboratory continues to provide tests for private physicians particularly on the neighbor islands despite the fact that there is no compelling public health justification for these tests. It is your Committee's intent that such tests be discontinued and that the affected parties be so notified.

Social Services

Your Committee is concerned about the reduction in Medicaid funds due to the federal Tax Equity Fiscal Responsibility Act 1982 (TEFRA) and the limited availability of State financial resources. Your Committee understands that, although medical assistance is necessary for many disadvantaged individuals and families, the state and federal governments should not be expected to finance unchecked increases in the cost of providing medical care to the needy. Several means have been examined in addressing this issue and your Committee feels that the active participation of both providers and recipients is essential to the success of any Medicaid cost containment attempt. Therefore, it is the intent of your Committee to permit the Department of Social Services and Housing to implement cost containment strategies such as rateable reductions in medical care payments and co-payments by recipients that will provide a mechanism with which the department will be able to effect fiscal reductions without adversely affecting the department's responsibility in providing medical assistance to the needy.

Higher Education

Funding for the University of Hawaii has essentially been maintained at the current level of services except for the addition of two research programs. Your Committee notes that the Ethnic Studies Oral History Project no longer qualifies under Chapter 42, HRS, for a special grant-in-aid through the State Foundation on Culture and the Arts and has therefore included this project within the University's research function. Your Committee believes that the recording of ethno-cultural oral histories constitutes an important research activity that enables us to preserve various aspects of our island heritage.

In response to the recent problems involving toxic insecticidal residues in food commodities (heptachlor in milk and endosulfan in watercress), your Committee has provided funding to encourage basic biological research to establish a solid foundation upon which sound and environmentally safe pest management programs can be developed. The results of such research are expected to increase our understanding of basic biological concepts where the information gained can be applied to improve methods of pest control, crop selection, and natural resource management.

Lower Education

Your Committee's primary area of concern in the lower education program can perhaps be best described by the following quote from the Hawaii State Educational Plan:

"A major purpose of education is to provide students with basic skills necessary to function in a complex society. In this connection, the first commitment of an instructional program involves teaching students these fundamental skills--reading, writing, mathematics, reasoning, and the ability to communicate. Complementing these basic skills are competencies which enable students to apply their skills in social, economic, and political context."

To ensure that basic skills education remains the primary focus of our public educational system, your Committee has provided funds to maintain the level of services currently afforded our children in the public schools. Furthermore, the enhancement of the regular school program has been assured with the addition of 50 new teacher positions, 7 second vice principal positions, and 25 more counselor positions for the intermediate schools.

Your Committee's concern that additional counselors be provided for the intermediate schools stems not only from its desire for a quality basic education but also is in reaction to the grave caveat expressed in the "Report of the Superintendent's Task Force on the Intermediate School", dated July 1982, that "...all is not well in our intermediate schools." In summarizing its findings on the data collected on intermediate schools, the Task Force concluded that there is "...increasing violence and vandalism in the

intermediate grades; and increasing alienation from school among intermediate school students." It is the intent of your Committee that the additional counselor positions be used in the intermediate schools to meet the basic staffing standard and, ultimately, to assist in easing the problems cited in the Task Force report.

In further reviewing the condition of basic skills education in our schools, your Committee has taken steps to continue support to early childhood education programs. By proviso, your Committee has directed, where feasible, the use of over 50 existing district resource teachers in reading, art, music and physical education to lower the pupil/teacher ratio in grades kindergarten through three.

While your Committee has provided for the needs of our children's basic skills education, as it is traditionally defined, it is also cognizant that the definition of "basic skills education" must be fluid in nature because of the changing social, economic, political, and technological world we inhabit. Thus, your Committee is concerned that society's definition of "basic skills education" has in fact been tremendously altered by the rapid advance in technology, and that our public educational system has yet to adapt to these changes.

The thrust of modern technology has affected not only those involved with the hard sciences and industrial production but has invaded all facets of daily living for all people. Nowhere is this fact more evident than with the advent of the microchip and the rise of high-technology industries. Developments such as these have restructured our homes, our recreational activities, our workplace, and indeed our very nature. If the adults of today are already having difficulty keeping up with these changes, then one can readily imagine how much harder it will be for our children a few years hence. They need to be prepared for the advances now upon them.

Your Committee has taken steps to ensure that there will be a comprehensive computer training program in the public schools to allow students to prepare for the modern world. Initially, your Committee began with a study of the "Goals and Objectives of the Hawaii State Board of Education for the Eighties" and found that the board is definitely committed to ensuring that the school curriculum adapts to a changing society and that it is committed to a computer education program. However, your Committee is concerned that the immediate needs of our graduating seniors are not being adequately addressed. Consequently, your Committee has funded the Exploratory Computer Awareness Interim Program (ECAIP).

The intent of ECAIP is to initiate an introductory computer literacy course, beginning in the fall of 1983, for all seniors in the public high schools throughout the State. ECAIP assumes that it is desirable to start offering hands-on computer education to all graduating seniors because they are on the threshold of entering the work world or going on to higher education where computers already play an important role. It further assumes that, while ECAIP is in progress, the Department of Education will be accorded the additional time it requires to properly address the problem of the lack of an acceptable, overall plan for computers in instruction throughout all grade levels. Finally, ECAIP assumes that it is, as its name implies, interim in nature and will be terminated when the department's master plan for computers in instruction is completed and ready for implementation.

Public Safety

Your Committee is concerned about the current problem of overcrowded conditions at the Oahu Community Correctional and Maui Community Correctional facilities. Additional funds and positions have been provided to relieve the overcrowded conditions. However, your Committee feels that additional staffing per se is not and should not be considered a viable long-term solution to relieve the problem of overcrowding at correctional facilities.

More importantly, your Committee recognizes the need for an effective means to address the long-term problem of inmate reform and overcrowded conditions at correctional facilities. Adding more staff and building more facilities are not seen as the remedies to the problem. Discussion has focused upon the differing ideologies of rehabilitation versus punishment. While no consensus has been reached, it is crucial that discussion continue to identify the root of the problem(s) and steps be taken to develop plans and strategies that will serve to resolve the problem(s) in a cost effective manner.

The total cost of the proposed Halawa Medium Security Facility is projected at \$70.4 million (not including operational costs). This amount is believed to be too high for a facility that is primarily intended to keep criminals away from the public. Thus, your Committee has provided \$51.9 million in the budget for the facility. It is intended that the new facility be built at a lower cost without compromising public safety in any

way or reducing the number of intended bed spaces.

Individual Rights

Your Committee has deleted second-year funding for the Commission on the Status of Women. There is some concern that the work of this Commission duplicates that of other agencies, such as the Office of Affirmative Action's equal employment opportunity efforts. The services provided to women by the Commission remain unclear and special attention for women by a separate commission no longer appears warranted. The women's rights movement has made tremendous gains within the last few years and women have gained parity with their male counterparts in major areas. It would seem more appropriate for the Commission to merge its functions with another existing agency such as the Office of Affirmative Action rather than to maintain women as a group requiring special attention and services. In this regard, your Committee is of the belief that the Commission should make every effort to have its functions assumed by another state agency.

Government-Wide Support

Communications

Deregulation has become a major issue in recent years and has resulted in the availability of more advantageous telecommunication systems. Your Committee therefore has included funds for consultant services and network design for the development of a centralized, state-owned telephone system set for installation in fiscal year 1984-85. Furthermore, as Kauai is the only county excluded from the jointly-administered, state-federal microwave communications system linking Oahu, Hawaii, and Maui, funds have been provided to include Kauai in the toll-free microwave system during fiscal year 1983-84.

Computerization

With the Hawaii/FAMIS System scheduled for implementation on July 1, 1983, your Committee has agreed to fund implementation of other important computerized systems. Funds have been included in the budget to provide additional systems and programming support for a new bond fund system with a specialized information base for all bond-funded appropriations. Funds to support a new facilities inventory management system have been included to provide a method to capture, record, and maintain historical facility information to determine preventive maintenance schedules. Funds are also included for systems and programming support of an energy management system which will fully automate energy usage by providing centralized controls.

Grants-in-Aid

Funds have been provided for fiscal year 1983-84 only in a total amount of \$8.7 million for grants to private agencies. As mentioned earlier, it is your Committee's hope and intent that eventually grants-in-aid will encompass only requests for one-time grants for private organizations and that ongoing services provided by private agencies be handled through purchase of service agreements.

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

Signed by all members of the Committee.

SCRep. 589 Finance on H.B. No. 387

The purpose of this bill is to appropriate funds for the Judiciary for the 1983-85 fiscal biennium.

In deliberating on this bill, your Committee's initial approach was to ensure that the Judiciary budget adheres to the ceiling prescribed in section 57-92, Hawaii Revised Statutes. As presented to the Legislature, the Judiciary budget would exceed such a ceiling by \$6.4 million in FY 1983-84 and would fall below it by \$2.5 million in FY 1984-85. Upon closer examination, however, the ceiling appeared most restrictive due to recent transfers of functions to the Judiciary from other governmental agencies and expanded responsibilities resulting from newly enacted laws and other legislative directives, all of which would severely limit the Judiciary's ability to respond effectively to an enormous growth in case filings.

For example, the Judiciary is now responsible for managing and maintaining certain facilities where it is the sole user. Moreover, such responsibilities as the transport of pre-trial detainees; the serving of misdemeanor warrants; legal services which were previously provided free of charge by the Department of the Attorney General; and court security are now handled by the Judiciary. Further, new laws and other legislative directives which affect the Judiciary include Act 303, SLH 1980, which mandates the establishment of intake agencies for juveniles; Act 251, SLH 1982, which has impact on the Judiciary's counseling, driver education, and community service sentencing programs; and H.R. No. 632, 1981 Regular Session, which directs the Judiciary to be responsible for the placement of juveniles in need of temporary high control shelter care.

In consideration of all the aforementioned circumstances, your Committee is of the belief that appropriation levels beyond the original ceiling may be warranted. However, hard and selective program decisions have still been made. Where programs are directly related to resolving congestion, delay, and backlogs, they have been authorized as requested; where they seem to be accomplishing their objectives but are only indirectly related to judicial services, they have been deferred to the second year of the biennium, and in many instances, to the 1985-87 biennium; where there are uncertainties as to their effectiveness, they have been held to current levels despite pressures for expansion; and in very limited circumstances, some new programs are authorized to proceed because of their vast benefit potential. This approach to the Judiciary budget acknowledges the fiscal constraints facing the state, yet recognizes that the primary forces which have had impact on the budget are forces outside the control of the Judiciary.

This bill has been amended to reflect your Committee's determination of the needs of the Judiciary to operate efficiently. A total of \$36,192,465 and \$38,643,858 in general funds is provided for FY 1983-84 and FY 1984-85, respectively. In addition, 12 capital improvement projects representing \$17,870,000 in general obligation bonds have been provided for the 1983-85 fiscal biennium.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 387, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 387, H.D. 2.

Signed by all members of the Committee.

SCRep. 590 Finance on H.B. No. 702

The purpose of this bill is to appropriate general fund moneys to supplement the ceded land revenues used by the Office of Hawaiian Affairs (OHA) for its operations.

In reviewing OHA's general fund budget request for the 1983-85 biennium, your Committee was faced with two major policy issues. These were the lump sum appropriation concept versus program appropriations and the question of matching requirements between general fund appropriations and OHA trust fund receipts in the payment of operating costs, including fringe benefits. In addressing both these questions, your Committee on Finance shares the views of the Committee on Water, Land Use, Development and Hawaiian Affairs which were expressed in standing committee report number 171. Accordingly, the lump sum appropriation concept has been retained along with language in the bill for matching requirements.

The funds appropriated by this bill are intended to continue the current level of on-going general fund support for OHA, adjusted for inflation at 7% annually. Additionally, funds are included beyond the current services level for the following two projects:

(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 has amended this bill to correct a computation error in deleting funds for a vacant position. As a result of the amendment, the general fund appropriation to OHA changes from \$492,060 to \$502,203 in FY 1983-84 and from \$505,907 to \$516,760 in FY 1984-85.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 702, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 702, H.D. 2.

Signed by all members of the Committee.

SCRep. 591 Judiciary on H.B. No. 187

The purpose of this bill is to make various amendments to the Hawaii Revised Statutes relating to the offense of driving while under the influence of intoxicating liquor. The bill provides the following:

- (1) The motor vehicle of any person whose license has been canceled, suspended, or revoked under laws relating to the operation of a motor vehicle while intoxicated shall be impounded for at least ninety days.
- (2) The repeal of the requirement of an affidavit to be prepared by the police officer when a person refuses to submit to a breath or blood test.
- (3) Any person who refuses to submit to a breath or blood test has committed the offense of driving under the influence of intoxicating liquor.
- (4) An extension of the period from four to five years for any previous conviction to be treated as a repeat offense.
- (5) For the first offense, prompt suspension of license for a period of ninety days; and any one of the following: (1) seventy-two hours of community service work or (2) not less than 48 hours of imprisonment.
- (6) For an offense that occurs within five years of a prior conviction, prompt suspension of license for a period of one year; and any one of the following: (1) not less than ten days of community service work or (2) not less than 48 consecutive hours of imprisonment; and allows the court to impose a fine of not less than \$500 but not more than \$1,000.
- (7) The defendant shall be deemed under the influence of intoxicating liquor if he has ten-hundredths per cent or more by weight of alcohol in his blood.

Your Committee has received testimony from the Department of Transportation, the Prosecuting Attorney from Hawaii County, the Honolulu Police Department, and the Hawaii Medical Association in support of this bill. Your Committee notes that driving under the influence of intoxicating liquor is one of Hawaii's most serious public health and safety problems.

Furthermore, your Committee has received testimony from the Department of Transportation that the state must comply with certain federal requirements to qualify for federal grants. These requirements and funding were enacted by Congress in an effort to provide an incentive for states to reduce alcohol-related traffic accidents.

Your Committee further believes that strong legislation together with the increased enforcement and swift adjudication will raise the perception of the public of the possibility of arrest, conviction, and punishment for the offense of driving while under the influence of intoxicating liquor and the dangers involved.

Your Committee has heard extensive testimony on a number of bills relating to driving under the influence of intoxicating liquor and after discussion has made the following amendments to this bill:

- (1) Eliminated the provision relating to impoundment of the vehicle;
- (2) Retained the requirement for an affidavit to be prepared by the police officer;
- (3) Added for the first conviction the alternative of a fine of not less than \$150 but not more than \$1,000;
- (4) Provided that any conviction for driving under the influence of intoxicating liquor, shall be considered a prior conviction.

Your Committee has made technical, nonsubstantive amendments and amendments for style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 187, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 592 Judiciary on H.B. No. 579

The purpose of this bill is to enact an offense of unauthorized use of badge, insignia, emblem, device, label, certificate, card, or writing by a person who is not a peace officer as defined in section 710-1000, Hawaii Revised Statutes, and if the person knowingly uses a badge, insignia, emblem, device, label, certificate, card, or writing to falsely purport himself to be a peace officer. It shall also be an offense if a person makes, sells, loans, gives, or transfers to another any of the designated items. Violation of this new section is a misdemeanor.

The Honolulu Police Department testified in support of the bill. The problem of persons using badges, insignia, and devices such as blue lights to impersonate police officers has grown. The difficulty of prosecution and conviction under the current law, Hawaii Revised Statutes section 710-1016, "Impersonating a public servant," has prompted the Honolulu Police Department to seek the enactment of the proposed new offense.

Your Committee believes that there is a need to protect the public against persons who impersonate police officers and other peace officers. Your Committee has amended the bill for the purpose of clarity by deleting on page 1, line 9, the phrase, "as expressly authorized by law or the chief of police;" and by deleting on page 1, line 15 and page 2, line 6, the words "duly authorized."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 579, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 593 Judiciary on H.B. No. 353

The purpose of this bill is to include within the meaning of "dangerous instrument" any firearm whether loaded or not, and whether operable or not, or any instrument or device resembling or used to simulate a firearm.

Your Committee has received testimony from the Honolulu Police Department and the Maui Prosecutor Office in support of the bill. Under present law, any firearm used in the commission of an offense must be operable and loaded in order to be deemed a dangerous instrument. The Hawaii Supreme Court has ruled in *State v. Padilla*, 57 Haw. 150 (1976), that where a robbery has been effected at the point of a gun with a threat to kill, the jury was entitled to infer that the gun was loaded and capable of being fired.

Your Committee believes that there are situations where the difference between a serious offense and a lesser offense is whether or not the weapon used in the commission of the offense is operable or not, or loaded or not, or a replica of a firearm. Your Committee feels that victims in these situations suffer the same apprehensions as victims in cases involving the use of firearms which are real, operable, and loaded.

Your Committee has amended the bill by confining the new definition of "dangerous

instrument" to section 708-840 of the Hawaii Revised Statutes and to the offense of robbery in the first degree. Your Committee finds that robbery in particular presents the most obvious situation where the use of a weapon, whether operable or loaded, or a replica of a firearm would present the same apprehensions in a victim. Your Committee believes that extending the meaning of "dangerous instrument" will assist in the prosecution of the offense of robbery in the first degree.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 353, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 594 Judiciary and Health on H.B. No. 1153

The purpose of this bill is to include specialty committees within the meaning of "professional society" as provided for under Section 663-1.7 of the Hawaii Revised Statutes.

Under present law, recognition is afforded to a professional society or society whose membership is engaged in the same profession or occupation and whose primary purpose is to maintain the professional standards of the persons engaged in its profession or occupation.

This bill will provide similar recognition to specialty practice groups whose membership comprise either a majority of the people engaged in the profession or occupation in the geographic area it serves, or a majority of the people in the state engaged in an area of a specialty practice which is recognized as such by that profession by the statewide association or society of members of that profession as a whole and whose primary purpose is to maintain the professional standards of the persons engaged in its review committee or occupation or specialty practice.

Your Committees heard testimony from the Hawaii Medical Association in support of this bill. Your Committees believe that this bill will enable peer review committees of specialty societies the same protection already granted to a professional society and other peer review committees.

Your Committees have amended this bill by making technical, nonsubstantive changes.

Your Committees on Judiciary and Health are in accord with the intent and purpose of H.B. No. 1153, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1153, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 595 Judiciary on H.B. No. 538

The purpose of this bill is to enact an offense for any person to manufacture, distribute, or possess with intent to distribute, an imitation controlled substance. This bill defines an imitation controlled substance as a substance that is not controlled substance, which by dosage unit appearance (including color, shape, size and markings), or by representations made, would lead a reasonable person to believe that the substance is a controlled substance. Violation of this new section is a felony.

Your Committee has heard testimony from the Department of Attorney General, the Honolulu Prosecuting Attorney, the Honolulu Police Department, and the Hawaii Medical Association in support of this bill.

The Department of the Attorney General has testified that imitation controlled substances are look-alike tablets and capsules which are manufactured to closely resemble or duplicate the appearance of common controlled substances, but which contain only over-the-counter ingredients. The primary target of this multi-million dollar industry are college, high school and even junior high school students. People who use look-alike drugs do not experience the type of reaction that the real drug imparts, causing users to ingest a larger number of look-alike drugs in order to obtain a reaction which can result in an overdose when they use the real drug because they take the same amount as they would with look-alikes.

Your Committee believes that the distribution of look-alike drugs is a major nationwide

drug abuse problem and that there is a need for effective laws for the control of look-alikes. This bill, which is patterned after the Model Act and supported by the Hawaii Medical Association will serve as an effective tool to combat the proliferation of such drugs.

Your Committee has amended this bill by adjusting the penalty for distribution to a minor of an imitation controlled substance from a class B to a class C felony. Your Committee further amends this bill by making it a petty misdemeanor to correspond with the controlled substance counterpart as provided for under section 712-1249 of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 538, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 596 Judiciary on H.B. No. 917

The purpose of this bill is to provide that it shall be a discriminatory practice for an owner or any other person engaging in a real estate transaction to refuse to engage in a real estate transaction or otherwise exclude anyone housing on the basis of parental status.

Your Committee has heard testimony from the State Department of Commerce and Consumer Affairs, the Department of Housing and Community Development of the City and County of Honolulu, the Hawaii Association of Realtors, the Hawaii Building and Construction Trades Council, AFL-CIO, the Consumers' Housing Task Force, the Hawaii Council of Churches, Working Women of Hawaii, and Hawaii Chapter of National Association of Social Workers, Inc.

The State Department of Commerce and Consumer Affairs has expressed its concern that the bill may jeopardize state and federal funding grants to develop housing complexes designed specifically for the elderly. Your Committee believes, however, that age qualifications in these types of housing projects will not be nullified by the enactment of this bill. However, in order to clarify the intent of this bill, your Committee has amended the bill by adding a proviso that elderly housing projects shall be exempted from the requirements of this bill.

The State Department of Commerce and Consumer Affairs has also testified that enforcement of the requirements of the act will pose a problem in their investigations of fair housing complaints. Your Committee feels that this is a reasonable period for the department to notify the general public and other parties who would be affected by this bill. Accordingly, your Committee has amended the bill by making the effective date of this Act on July 1, 1983.

Another concern is whether or not the presence of children as occupants in residential condominium or apartment complexes may be used as a basis for increasing the liability insurance premiums assessed to the owners of these complexes. Your Committee has been assured by Insurance Division of the Department of Commerce and Consumer Affairs that based on their review of insurers' plans, the presence of children is not a factor in determining the premiums charged to owners of apartment and condominium complexes.

Your Committee further notes the concern expressed regarding existing condominium project documents and cooperative housing bylaws that currently restrict occupancy. Your Committee feels that such restrictions concerning the use and occupancy of condominium units are necessary for the smooth operation of private property and protection of the owners. Therefore, your Committee has amended the bill by exempting from the requirements of this bill the currently existing and future restrictions in the form of mutual agreements entered into by condominium and housing cooperative owners.

Your Committee has also amended this bill by making technical nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 917, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 597 Employment Opportunities and Labor Relations on H.B. No. 1531
(Majority)

The purpose of this bill is to provide for a temporary moratorium on increases in workers' compensation insurance premium rates.

Workers' compensation insurance premium rates have increased 87.3 per cent over the past five years, and an average rate increase of twenty-nine per cent has been approved by the insurance commissioner for 1983.

Your Committee has heard testimony to the effect that numerous employers may be forced out of business by the continuing escalation of workers' compensation insurance premium rates. This threatens the economic well-being of the State.

Numerous bills have been introduced during this, the twelfth legislature, regular session of 1983, relating to workers' compensation. Many of these propose long term solutions to the problem of escalating workers' compensation insurance premium rates. The legislature must have the opportunity to give these proposals the careful consideration that they deserve.

Your Committee is in agreement that the temporary moratorium on workers' compensation premium rate increases is a measure providing appropriate relief towards the protection of the economic well-being of the State, and is reasonable to that end.

Your Committee, in order to clarify the intent of the bill, has amended section 1 to read:

"SECTION 1. Findings and purpose. The legislature finds that there exists an emergency situation in the State, as the economic well-being of the State is threatened by the escalation of workers' compensation premium rates, which in these difficult economic times threatens to force a number of businesses into closing. The purpose of this Act ..."

In the interest of accuracy, your Committee has further amended section 1 of the bill by changing the word "twenty-five" found on line 6 to "twenty-nine".

Your Committee has amended the bill by adding a new section, a severability clause, to be designated Section 3, to follow immediately after Section 2, which reads:

"SECTION 3. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable."

Your Committee, recognizing that a retroactive moratorium might present potential legal problems, has deleted the language which made the Act effective retroactive to December 31, 1982.

Your Committee has amended the bill so that it will take effect January 1, 1984, the moratorium to last until December 31, 1984.

A number of bills relating to workers' compensation insurance have been considered during the course of this session. Your Committee finds that it will be of value to be able to monitor the effects that these actions would have on the ratemaking process, in the absence of a moratorium. Accordingly, your Committee has amended the bill to require a rate filing applicable to the year January 1, 1984, to December 31, 1984 for informational purposes only.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1531, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 598 Employment Opportunities and Labor Relations and Consumer Protection
and Commerce on H.B. No. 1528

The purpose of this bill is to promote the public welfare by amending the rate making

process for workers' compensation insurance, to the end that the rates shall not be excessive, inadequate, or unfairly discriminatory.

Although insurance companies have times in recent years been operating at an underwriting loss in workers' compensation insurance, most such companies have realized a return on net worth of healthy proportion due to investment income.

Your Committees have held a public hearing on this bill and have received written and oral testimony from the Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs, Insurance Division, in support of this bill, which provides for both statutory authority for consideration of investment income in workers' compensation insurance rate making and the requirement that every workers' compensation insurance rate filing shall include a report of investment income.

Your Committees have amended this bill so that all investment income, including but not exclusively that earned or realized by insurers from their unearned premium and loss reserve funds, will be considered in the making of rates.

Also, your Committees amended the bill to make it clear that it is intended to apply only to the workers' compensation insurance rate making, and not to casualty insurance rate making in general.

Your Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1528, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives
Tom and Anderson.

SCRep. 599 Human Services on H.C.R. No. 58

The purpose of this concurrent resolution is to request the Department of Social Services and Housing to amend its rules to qualify foster care children who are currently excluded from the Medicaid program.

The Department and Family Court submitted testimony in support of this resolution.

Your Committee finds that concerns have been expressed that these youngsters have been denied assistance through the Medicaid program due to departmental rules which require that in order to be eligible, a child must be receiving child welfare services through the Department's social service units.

Your Committee finds that meetings between the Department, Family Court and concerned agencies were held on this matter, and the Department is prepared to revise the regulations to qualify these children if they meet the income eligibility requirements imposed on all children under similar circumstances.

Your Committee agrees that these changes will bring equity to all youngsters who are placed in foster homes and receiving professional services from recognized agencies in the community.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 58 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 600 Human Services on H.R. No. 155

The purpose of this resolution is to request the Department of Social Services and Housing to amend its rules to qualify foster care children who are currently excluded from the Medicaid program.

The Department and Family Court submitted testimony in support of this resolution.

Your Committee finds that concerns have been expressed that these youngsters have been denied assistance through the Medicaid program due to departmental rules which require that in order to be eligible, a child must be receiving child welfare services

through the Department's social service units.

Your Committee finds that meetings between the Department, Family Court and concerned agencies were held on this matter, and the Department is prepared to revise the regulations to qualify these children if they meet the income eligibility requirements imposed on all children under similar circumstances.

Your Committee agrees that these changes will bring equity to all youngsters who are placed in foster homes and receiving professional services from recognized agencies in the community.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 155 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 601 Human Services on H.R. No. 209

The purpose of this resolution is to direct the House Committee on Human Services to investigate the condition of the special domiciliary care program with special emphasis on the financial needs of care home operators.

Your Committee received testimony from the Department of Social Services and Housing in support of this resolution. The Department has indicated they will gladly cooperate with the Committee in studying the issues and coming up with the feasible recommendations for the 1984 Legislature's consideration.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 209 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 602 Human Services on H.R. No. 137

The purpose of this resolution is to request the Department of Social Services and Housing to place a moratorium on payment rates for nursing care for Medicaid.

Your Committee finds that hospital-based, long-term care facilities 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.

Your Committee agrees that this resolution will provide the Department and community additional time to address this critical problem.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 137 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 603 Human Services on H.R. No. 135

The purpose of this resolution is to request the Department of Accounting and General Services to proceed with the planning, design, land acquisition, and construction of the Waipahu Civic Center on a site selected by the community.

Your Committee finds that over a period of nearly 18 years, the citizens of Waipahu have wanted a civic center to service the various needs within the community. The Waipahu Community Association and associated organizations such as the Waipahu Business Association, senior citizen groups, church groups, neighborhood and civic organizations have met and reached an agreement on the site stated in this resolution.

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

Signed by all members of the Committee.

SCRep. 604 Human Services on H.R. No. 18

The purpose of this resolution is to request the Department of Social Services and Housing to study the feasibility of limiting the beneficiaries' freedom of choice in selecting medicaid providers.

Your Committee is extremely concerned with the spiraling cost of health care services. An underlying cost problem is the seemingly unpredictable and nearly uncontrollable nature of medicaid increases.

Your Committee finds that if warranted, medicaid waivers are available to enable the state medicaid agency to limit public assistance recipients to only the most cost-effective service mode without any substantial loss to the quality of health care services.

Your Committee agrees that the results from this feasibility study may provide solutions to the spiraling cost of health care services.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 18 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 605 Human Services on H.R. No. 17

The purpose of this resolution as received by your Committee is to request the Department of Budget and Finance to study the feasibility of establishing a state permanent, part-time phased retirement program for the elderly.

Your Committee finds that older workers are a valuable resource in our society and it is in the best interest of the state to strive to retain, hire, and promote older workers.

Your Committee agrees that this resolution is a positive action to ensure equal employment opportunities for older workers who wish to "phase out" gradually rather than bring an abrupt end to their careers.

Your Committee has amended this resolution on paragraph 8, by deleting the Department of Budget and Finance and inserting the Department of Personnel Services to be the lead agency in the conduct of this study. Your Committee has made further amendments for purposes of conformity.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 17 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 17, H.D. 1.

Signed by all members of the Committee.

SCRep. 606 Human Services on H.R. No. 19

The purpose of this resolution as received by your Committee, is to request the Executive Office on Aging to conduct a feasibility study of allowing elderly persons with low incomes to use their equity in their homes to obtain health and social services, financial payments, or both, from the state.

Your Committee finds that this resolution offers an innovative approach utilizing existing equity available to low income elderly home owners for services or financial aid provided by third parties. The two programs cited in this resolution, the Musashino Plan and the Home Equity Living Plan, are examples of recent programs which have the potential for replication in Hawaii.

Your Committee agrees that this resolution would determine whether a similar program would be feasible and beneficial for Hawaii's low income elderly home owners.

Your Committee has amended this resolution by deleting paragraph two. This statement is inaccurate because low income elderly choose not to sell their homes mainly due to economic necessity rather than sentimental attachment.

Your Committee feels that the Legislative Reference Bureau would be more appropriate than the Executive Office on Aging to conduct this study, and has therefore amended this resolution accordingly.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 19 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 19, H.D. 1.

Signed by all members of the Committee.

SCRep. 607 Public Employment and Government Operations on H.R. No. 195

The purpose of this resolution is to request a study of which elected and appointed officers and employees are considered full-time and to what rights and benefits they are entitled.

Under present law Section 79-1, Section 62-12, Section 80-4 and other statutes have created some confusion as to which elected and appointed officers and employees are to be considered as full-time and to what rights and benefits these officers and employees are entitled.

Your Committee is in agreement to amend this resolution to request that the study be conducted by the Attorney General and the Conference of Personnel Directors. The Conference of Personnel Directors includes representatives from both the State and the counties and would thus be better able to address the multi-jurisdictional aspects of the resolution than could the Department of Personnel Services alone.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 195 as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 195, H.D. 1.

Signed by all members of the Committee.

SCRep. 608 Ocean and Marine Resources on H.R. No. 79

The purpose of this resolution is to request the Hawaii County Aquatic Life and Wildlife Advisory Committee to conduct meeting(s) to determine the advisability and feasibility of restricting net fishing in Kailua Bay, Kona, Hawaii, and to transmit its findings and recommendations to the Division of Aquatic Resources of the Department of Land and Natural Resources for further evaluation and appropriate action.

Your Committee finds that conflicts frequently arise between net and pole fishermen in certain protected harbors and embayments of the State during sporadic "runs" of hahalalu, oama and other seasonal fish species.

According to testimony received by your Committee from the Department of Land and Natural Resources, the Department supports the intent of this resolution and reports that it has established rules to resolve conflicts of similar nature in other areas of the State. However, the need to equitably allocate the public fishery resources must be examined critically. Further, Administrative Rules have been promulgated to resolve similar fishermen conflicts at Hilo Bay on Hawaii, and Waimea and Hanamaulu Bays on Kauai. More recently, the Maui County Aquatic Life and Wildlife Committee has conducted public meetings to obtain public input on conflicts at Kahului Harbor on Maui, and Kaunakakai Harbor on Molokai.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 79 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 609 Agriculture on H.C.R. No. 25

The purpose of this concurrent resolution is to express support for the continuing development of agricultural education with respect to the Hawaii Future Farmers of America Program and the University of Hawaii's New/Young Farmer Program and to continue to commit financial resources to these programs.

Your Committee received testimony in support of this measure from the Department of Education (Office of Instructional Services), the Department of Labor and Industrial Relations (State Commission on Manpower and Full Employment), and the College of Tropical Agriculture and Human Resources.

Your Committee finds that organizations such as the Future Farmers of America and the University of Hawaii's New/Young Farmer Program deserve continued financial support because they have been invaluable in teaching youths agricultural skills and providing them opportunities to develop leadership and organizational skills.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 25 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 610 Agriculture on H.R. No. 52

The purpose of this resolution is to express support for the continuing development of agricultural education with respect to the Hawaii Future Farmers of America Program and the University of Hawaii's New/Young Farmer Program and to continue to commit financial resources to these programs.

Your Committee received testimony in support of this measure from the Department of Education (Office of Instructional Services), the Department of Labor and Industrial Relations (State Commission on Manpower and Full Employment), and the College of Tropical Agriculture and Human Resources.

Your Committee finds that organizations such as the Future Farmers of America and the University of Hawaii's New/Young Farmer Program deserve continued financial support because they have been invaluable in teaching youths agricultural skills and providing them opportunities to develop leadership and organizational skills.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 52 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 611 Education and Water, Land Use, Development and Hawaiian Affairs
on H.R. No. 161

The purpose of this resolution is to request coordination and cooperation by the Department of Education and the Office of Hawaiian Affairs with respect to the Hawaiian studies program of the public schools.

Your Committees find that the constitutionally mandated Hawaiian studies program of the public schools is a logical focus of attention for joint efforts by both DOE and OHA. While recognizing that OHA is limited with respect to the beneficiaries it may serve, it seems to your Committees that there may be alternative approaches available to enable DOE to benefit from the personnel and other resources at the disposal of OHA. Conversely, the Hawaiian studies program may be even more of an outlet and opportunity for OHA to carry out its trust responsibilities. Your Committees would be especially interested in the exploration of an idea discussed in the hearing on this resolution, the possibility of targeting certain schools for fuller development of the Hawaiian studies program with OHA participation on behalf of native Hawaiian children. A related aspect for further coordination is the identification of the schools attended by native Hawaiian and Hawaiian children, and the numbers involved.

The DOE concurred with the intent of this resolution although it believes the intent of the resolution is already being met since some coordination has already occurred. The chair of the OHA education committee also believes coordination has taken place, and sought clarification on the Legislature's expectations.

With all these concerns in mind, your Committees have amended the resolution in two ways: (1) the second BE IT RESOLVED clause has been expanded, and (2) another BE IT RESOLVED clause has been inserted to assure that further progress during the interim will be reported to the 1984 legislative session.

Your Committees on Education and Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.R. No. 161, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 161, H.D. 1.

Signed by all members of the Committees.

SCRep. 612 Agriculture on H.R. No. 56

The purpose of this resolution is to request the House Committee on Agriculture to review the Statewide Agricultural Park Action Plan and laws affecting agricultural parks to identify and recommend appropriate action required of the Legislature.

The Hawaii Farm Bureau Federation supported the intent of this measure and requested that the directed review include an investigation of the costly off site improvements required to establish an agricultural park.

The Chairman of the Board of Agriculture also testified in support of this measure and suggested that the reporting deadline be extended to the beginning of the 1984 session to allow the Committee sufficient time to review Phase II of the Action Plan which is expected to be completed during summer, 1983.

Your Committee has therefore amended this measure as follows:

- (1) inserted a new "WHEREAS" clause to acknowledge the preparation of Phase II of the Action Plan (page 2, first "WHEREAS" clause);
- (2) retitled reference to the Action Plan throughout the measure; and
- (3) amended the first "BE IT FURTHER RESOLVED" clause to reflect a change in the deadline for submitting the report.

Your Committee has further amended this measure by deleting reference to the Lalamilo site in the fourth "WHEREAS" clause because the Board of Land and Natural Resources is no longer planning an agricultural park on that site.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 56, H.D. 1.

Signed by all members of the Committee.

SCRep. 613 Agriculture on H.R. No. 51

The purpose of this resolution is to strengthen Hawaii's diversified agricultural industry by encouraging statewide agricultural organizations to develop a program of education, information and training to assist existing and new cooperatives and commodity associations.

Currently there are approximately sixty-one professional agricultural commodity associations and cooperatives in the State and many non-professional agricultural organizations. All of these organizations would benefit from the advice, assistance and interaction proposed in this measure.

Your Committee finds that there is a great resource of knowledge and experience existing amongst those organizations directly involved in all phases of agriculture in the State. This resource should be drawn upon for the common good of Hawaii's agricultural industries.

Your Committee received testimony in support of this measure from the College of Tropical Agriculture and Human Resources and the Hawaii Farm Bureau Federation. The Chairman of the Board of Agriculture also testified in support of this measure and recommended that the resolution be directed solely to the Governor's Agriculture Coordinating Committee for better coordination; both the Department of Agriculture and the College of Tropical Agriculture and Human Resources are represented on this Committee. Your Committee has amended this resolution accordingly.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 51, H.D. 1.

Signed by all members of the Committee.

SCRep. 614 Agriculture on H.C.R. No. 24

The purpose of this concurrent resolution is to strengthen Hawaii's diversified agri-

cultural industry by encouraging statewide agricultural organizations to develop a program of education, information and training to assist existing and new cooperatives and commodity associations.

Currently there are approximately sixty-one professional agricultural commodity associations and cooperatives in the State and many non-professional agricultural organizations. All of these organizations would benefit from the advice, assistance and interaction proposed in this measure.

Your Committee finds that there is a great resource of knowledge and experience existing amongst those organizations directly involved in all phases of agriculture in the State. This resource should be drawn upon for the common good of Hawaii's agricultural industries.

Your Committee received testimony in support of this measure from the College of Tropical Agriculture and Human Resources and the Hawaii Farm Bureau Federation. The Chairman of the Board of Agriculture also testified in support of this measure and recommended that the concurrent resolution be directed solely to the Governor's Agriculture Coordinating Committee for better coordination; both the Department of Agriculture and the College of Tropical Agriculture and Human Resources are represented on this Committee. Your Committee has amended this concurrent resolution accordingly.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 24, H.D. 1.

Signed by all members of the Committee.

SCRep. 615 State General Planning and Higher Education and the Arts on H.C.R.
No. 2

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Higher Education Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the University of Hawaii prepared the State Higher Education Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to higher education, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Higher Education Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Higher Education Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Higher Education Functional Plan.

Subsequent to your Committees' review and amendment of the State Higher Education Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Higher Education Plan" to "Relating to the State Higher Education Functional Plan" in order to avoid any confusion between the functional plan for higher education being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to higher education. Other references to the higher education plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Higher Education Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant

to the Higher Education Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,".

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Higher Education Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Higher Education Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Higher Education and the Arts concur with the intent and purpose of H.C.R. No. 2, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 2, H.D. 1.

Signed by all members of the Committees.

SCRep. 616 State General Planning and Transportation on H.C.R. No. 3
(Majority)

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Transportation Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Transportation prepared the State Transportation Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to transportation, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Transportation Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Transportation Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Transportation Functional Plan.

Subsequent to your Committees' review and amendment of the State Transportation Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Transportation Plan" to "Relating to the State Transportation Functional Plan" in order to avoid any confusion between the functional plan for transportation being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to transportation. Other references to the transportation plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Transportation Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Transportation Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore, "

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Transportation Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Transportation Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Transportation concur with the intent and purpose of H.C.R. No. 3, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 3, H.D. 1.

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

SCRep. 617 State General Planning and Housing on H.C.R. No. 4

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Housing Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Hawaii Housing Authority prepared the State Housing Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to housing, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Housing Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Housing Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Housing Functional Plan.

Subsequent to your Committees' review and amendment of the State Housing Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Housing Plan" to "Relating to the State Housing Functional Plan" in order to avoid any confusion between the functional plan for housing being adopted pursuant to Chapter 226, Hawaii

Revised Statutes, and any other plan or plans relating to housing. Other references to the housing plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Housing Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Housing Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,".

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Housing Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Housing Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Housing concur with the intent and purpose of H.C.R. No. 4, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 4, H.D. 1.

Signed by all members of the Committees.

SCRep. 618 State General Planning and Energy, Ecology and Environmental
Protection on H.C.R. No. 5

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Energy Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Planning and Economic Development prepared the State Energy Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to energy, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Energy Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Energy Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Energy Functional Plan.

Subsequent to your Committees' review and amendment of the State Energy Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Energy Plan" to "Relating to the State Energy Functional Plan" in order to avoid any confusion between the functional plan for energy being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to energy. Other references to the energy plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Energy Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Energy Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore, "

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Energy Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Energy Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Energy, Ecology, and Environmental Protection concur with the intent and purpose of H.C.R. No. 5, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 5, H.D. 1.

Signed by all members of the Committees .

SCRep. 619 State General Planning and Tourism on H.C.R. No. 6

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Tourism Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Planning and Economic Development prepared the State Tourism Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to tourism, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Tourism Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Tourism Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Tourism Functional Plan.

Subsequent to your Committees' review and amendment of the State Tourism Plan

(Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Tourism Plan" to "Relating to the State Tourism Functional Plan" in order to avoid any confusion between the functional plan for tourism being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to tourism. Other references to the tourism plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Tourism Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Tourism Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,".

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Tourism Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Tourism Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Tourism concur with the intent and purpose of H.C.R. No. 6, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 6, H.D. 1.

Signed by all members of the Committees.

SCRep. 620 State General Planning and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 7

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Water Resources Development Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Water Resources Development Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to water resources development, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Water Resources Development Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Water Resources Development Plan, as transmitted by the Governor to the Legislature and attached hereto

as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Water Resources Functional Plan.

Subsequent to your Committees' review and amendment of the State Water Resources Development Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Water Resources Development Plan" to "Relating to the State Water Resources Development Functional Plan" in order to avoid any confusion between the functional plan for water resources development being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to water resources development. Other references to the water resources development plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Water Resources Development Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Water Resources Development Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,".

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Water Resources Development Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Water Resources Development Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 7, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 7, H.D. 1.

Signed by all members of the Committees.

SCRep. 621 State General Planning and Health on H.C.R. No. 8

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Health Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Health prepared the State Health Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to health, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Health Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Health Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Health Functional Plan.

Subsequent to your Committees' review and amendment of the State Health Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Health Plan" to "Relating to the State Health Functional Plan" in order to avoid any confusion between the functional plan for health being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to health. Other references to the health plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Health Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Health Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore, "

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Health Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Health Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Health concur with the intent and purpose of H.C.R. No. 8, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 8, H.D. 1.

Signed by all members of the Committees.

SCRep. 622 State General Planning and Education on H.C.R. No. 9

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Education Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Education prepared the State Education Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to education, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Education Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Education Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Education Functional Plan.

Subsequent to your Committees' review and amendment of the State Education Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Education Plan" to "Relating to the State Education Functional Plan" in order to avoid any confusion between the functional plan for education being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to education. Other references to the education plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Education Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Education Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,".

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Education Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Education Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Education concur with the intent and purpose of H.C.R. No. 9, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 9, H.D. 1.

Signed by all members of the Committees.

SCRep. 623 State General Planning and Agriculture on H.C.R. No. 10

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Agriculture Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Agriculture prepared the State Agriculture Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to agriculture, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Agriculture Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Agriculture Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Agriculture Functional Plan.

Subsequent to your Committees' review and amendment of the State Agriculture Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Agriculture Plan" to "Relating to the State Agriculture Functional Plan" in order to avoid any confusion between the functional plan for agriculture being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to agriculture. Other references to the agriculture plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Agriculture Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Agriculture Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,"

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Agriculture Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Agriculture Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Agriculture concur with the intent and purpose of H.C.R. No. 10, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 10, H.D. 1.

Signed by all members of the Committees.

SCRep. 624 Tourism on H.R. No. 38

The purpose of this resolution is to review the implications and impact of a hotel room tax on Hawaii.

Your Committee is in agreement that the implications of a hotel room tax have not been carefully studied, and that such study should be done.

Your Committee finds that the subject of the study should be broadened, and that more time should be allowed for its completion. The resolution has been amended in generally providing for these factors.

The title has been amended making the resolution a request to study the implications of a visitor industry tax. The purpose of this amendment is to broaden the scope of this study in order to examine all potential areas of taxation of the visitor industry.

Page two of the resolution has been amended by substituting the "Legislative Reference

Bureau and the Office of the Legislative Auditor" for the House Committee on Tourism as the body to conduct the study. In addition, submission of a report on findings has been extended to twenty days prior to the convening of the Regular Session of 1984.

Two new items have been added to the list and have been numbered items (1) and (2). The rest of the list to be examined by the Legislative Reference Bureau and the Office of the Legislative Auditor have been renumbered from the original items 1,2,3,4 to items 4,5,6,3 respectively.

The second BE IT FURTHER RESOLVED clause of the resolution has been amended by designating the Director of the Legislative Reference Bureau and the Office of the Legislative Auditor as recipients of certified copies of this resolution, while deleting "Speaker of the House and the Chairman of the House Committee on Tourism." Your Committee also made technical, nonsubstantive amendments.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 38, H.D. 1.

Signed by all members of the Committee.

SCRep. 625 Health on H.R. No. 210

The purpose of this resolution is to request the department of health to evaluate the MEDICOM system on Kauai and submit its findings and recommendations for updating the system 20 days prior to the convening of the 1984 Regular Session.

Your Committee finds that the existing emergency medical communications system on Kauai fails under adverse conditions, as proved by the recent Hurricane Iwa experience. At that time, the civil defense radio system was used rather than MEDICOM, which is presently being repaired.

According to testimony from the department of health, system weaknesses include signal towers that are vulnerable to salt air and high winds. To date, departmental efforts to improve the system include the trial testing of stainless steel guy wires for MEDICOM towers at Anahola and new construction methods for the MEDICOM repeater site at Kapaa. However, there is no comprehensive report available regarding a complete systems assessment.

Your Committee on Health concurs with the intent and purpose of H.R. 210 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 626 Health on H.R. No. 244

The purpose of this resolution is to request that the Legislative Auditor conduct a study of existing state hospital rate review programs, including a description of each of the programs and the effect of the programs on hospital rates. It is the intent of this resolution that the Legislative Auditor submit the report to the Legislature prior to the convening of the 1984 Regular Session.

Your Committee finds that the cost of hospital services must be stabilized and that the first step in this effort is the establishment of a hospital rate review program. Such a program would not only help to stabilize costs of hospital services but would also ensure that hospitals receive an adequate rate of return. However, all recent efforts to establish a hospital rate review program have been rejected by the Legislature.

The most recent report on hospital cost review programs was issued by the Legislative Auditor in 1979 and is obsolete today. Your Committee finds that updated descriptions and data on actual impact of rate review programs are needed for the Legislature to make the best informed decisions on hospital cost control.

Your Committee on Health concurs with the intent and purpose of H.R. No. 244 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 627 Health on H.C.R. No. 89

The purpose of this concurrent resolution is to request that the Legislative Auditor conduct a study of existing state hospital rate review programs, including a description of each of the programs and the effect of the programs on hospital rates. It is the intent of this resolution that the Legislative Auditor submit the report to the Legislature prior to the convening of the 1984 Regular Session.

Your Committee finds that the cost of hospital services must be stabilized and that the first step in this effort is the establishment of a hospital rate review program. Such a program would not only help to stabilize costs of hospital services but would also ensure that hospitals receive an adequate rate of return. However, all recent efforts to establish a hospital rate review program have been rejected by the Legislature.

The most recent report on hospital cost review programs was issued by the Legislative Auditor in 1979 and is obsolete today. Your Committee finds that updated descriptions and data on actual impact of rate review programs are needed for the Legislature to make the best informed decisions on hospital cost control.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 89 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 628 Health and Judiciary on H.R. No. 20

The purpose of this resolution is to request the review and subsequent development of proposed legislation, by the House Committees on Judiciary and Health, regarding the State's procedures for involuntary, civil commitment to psychiatric facilities. The proposed legislation should ensure that persons who may be mentally incapable of voluntary commitment are provided appropriate access to mental health services. It is the intent of this resolution that a report of findings and the proposed legislation be submitted to the House of Representatives prior to the convening of the 1984 Regular Session.

Your Committees find that existing laws do not account for people who are seriously mentally disabled but unable to seek psychiatric treatment.

According to testimony from the Hawaii Psychiatric Society, only suicidal or homicidal people can be involuntarily hospitalized for psychiatric services and treatment. Your Committees recognize that another group of people should be accepted for involuntary hospitalization, those who are too disabled, disaffected or alienated to seek psychiatric care. Such people may live in unsafe environments or seclusion, rarely eating and alienated from friends or family.

The Hawaii judiciary, represented by the State Family Court, recommends that legislation be developed to assist individuals who may be mentally incapable of voluntarily committing themselves to receive needed mental health services and treatment.

Your Committees on Health and Judiciary concur with the intent and purpose of H.R. 20 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

SCRep. 629 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 156

The purpose of this Resolution is to request the Department of Planning and Economic Development and the Department of Land and Natural Resources, in conjunction with the Hawaii Visitors Bureau, to conduct a feasibility study on the development of a network of spectator facilities along appropriate waterfront sites for aquatic competition and activities.

According to testimony, outdoor recreation is a function assigned to the Department of Land and Natural Resources and the various counties' Departments of Parks and Recreation. Therefore, your Committee is of the opinion that the lead agency for such a feasibility study should be the Department of Land and Natural Resources, in cooperation with the various Counties, but that the Department of Planning and Economic Development and the Hawaii Visitors Bureau should be consulted and cooperate in the study. Your

Committee has amended this Resolution to address these recommendations.

Technical and non-substantive amendments have also been made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 156, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 156, H.D. 1.

Signed by all members of the Committee.

SCRep. 630 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 223

The purpose of this Resolution is to call upon the City and County of Honolulu to convert the Waikiki Natatorium into a landscaped park designed to preserve historic features and attributes of the Natatorium, to remove physical hazards, to promote recreation and open space, to accommodate persons on wheel chairs, and to protect the sea walls.

In 1982 the Legislature passed House Concurrent Resolution No. 173 which requested the Department of Land and Natural Resources to assess options for preserving and improving the Natatorium. The Department assessed three major options: (1) the improvement of the Natatorium as a swimming facility, (2) beach restoration from a Sans Souci Beach protection groin to the Queen's Surf area, and (3) the creation of a landscaped park as a peninsula on the pool site. The Department recommended the third option.

Your Committee is in agreement with the third option stated above. The development of the Natatorium as a Waikiki War Memorial Park would therefore include the retention of the Natatorium's central archways, the demolition of the bleachers and decks, and the filling in, grassing, and landscaping of the pool area. Your Committee is also of the opinion that the committee to propose and review project plans for the said development should include various interested groups and community members, including but not being limited to representatives of veterans' organizations, community associations, and environmental protection organizations.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 223 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 631 Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 78

The purpose of this Concurrent Resolution is to call upon the City and County of Honolulu to convert the Waikiki Natatorium into a landscaped park designed to preserve historic features and attributes of the Natatorium, to remove physical hazards, to promote recreation and open space, to accommodate persons on wheel chairs, and to protect the sea walls.

In 1982 the Legislature passed House Concurrent Resolution No. 173 which requested the Department of Land and Natural Resources to assess options for preserving and improving the Natatorium. The Department assessed three major options: (1) the improvement of the Natatorium as a swimming facility, (2) beach restoration from a Sans Souci Beach protection groin to the Queen's Surf area, and (3) the creation of a landscaped park as a peninsula on the pool site. The Department recommended the third option.

Your Committee is in agreement with the third option stated above. The development of the Natatorium as a Waikiki War Memorial Park would therefore include the retention of the Natatorium's central archways, the demolition of the bleachers and decks, and the filling in, grassing, and landscaping of the pool area. Your Committee is also of the opinion that the committee to propose and review project plans for the said development should include various interested groups and community members, including but not being limited to representatives of veterans' organizations, community associations, and environmental protection organizations.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 78 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 632 Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 59

The purpose of this Concurrent Resolution is to request the Department of Planning and Economic Development and the Department of Land and Natural Resources, in conjunction with the Hawaii Visitors Bureau, to conduct a feasibility study on the development of a network of spectator facilities along appropriate waterfront sites for aquatic competition and activities.

According to testimony, outdoor recreation is a function assigned to the Department of Land and Natural Resources and the various counties' Departments of Parks and Recreation. Therefore, your Committee is of the opinion that the lead agency for such a feasibility study should be the Department of Land and Natural Resources, in cooperation with the various Counties, but that the Department of Planning and Economic Development and the Hawaii Visitors Bureau should be consulted and cooperate in the study. Your Committee has amended this Concurrent Resolution to address these recommendations.

Technical and non-substantive amendments have also been made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 59, H.D. 1.

Signed by all members of the Committee.

SCRep. 633 State General Planning and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 11

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Historic Preservation Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Historic Preservation Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to historic preservation, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Historic Preservation Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Historic Preservation Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Historic Preservation Functional Plan.

Subsequent to your Committees' review and amendment of the State Historic Preservation Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Historic Preservation Plan" to "Relating to the State Historic Preservation Functional Plan" in order to avoid any confusion between the functional plan for historic preservation being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to historic preservation. Other references to the historic preservation plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Historic Preservation Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Historic Preservation Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing

actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore, "

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Historic Preservation Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Historic Preservation Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 11, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 11, H.D. 1.

Signed by all members of the Committees.

SCRep. 634 State General Planning and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 12

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Conservation Lands Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Conservation Lands Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to conservation lands, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Conservation Lands Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Conservation Lands Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Conservation Lands Functional Plan.

Subsequent to your Committees' review and amendment of the State Conservation Lands Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Conservation Lands Plan" to "Relating to the State Conservation Lands Functional Plan" in order to avoid any confusion between the functional plan for conservation lands being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to conservation lands. Other references to the conservation lands plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Conservation Lands Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Conservation Lands Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,".

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Conservation Lands Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Conservation Lands Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 12, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 12, H.D. 1.

Signed by all members of the Committees.

SCRep. 635 State General Planning and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 13

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Recreation Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Recreation Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to recreation, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Recreation Plan of October, 1982, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit B. Your Committees recommend that the State Recreation Plan, as transmitted by the Governor to the Legislature and attached hereto as Exhibit A, and as modified by the amendments set forth in Ramseyer format in the attached Exhibit B, be adopted as the State Recreation Functional Plan.

Subsequent to your Committees' review and amendment of the State Recreation Plan (Exhibit A as amended by Exhibit B), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Recreation Plan" to "Relating to the State Recreation Functional Plan" in order to avoid any confusion

between the functional plan for recreation being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to recreation. Other references to the recreation plan throughout the resolution have been amended accordingly.

(2) References to the technical reference document have been amended to clarify that the State Recreation Functional Plan Technical Reference Document is to serve as a resource document, containing background information and data relevant to the Recreation Functional Plan. It is the intent of your Committees that the technical reference document is merely an informational resource document and is not to be used to interpret the intent or meaning of the policies and implementing actions contained in the amended Plan.

(3) The "Whereas" clause relating to the approval of the functional plans and use in providing guidance to the public and private sectors has been clarified and expanded into the following redrafted "Whereas" clause:

"WHEREAS, State functional plans shall be approved by the Legislature by concurrent resolution pursuant to Chapter 226, Hawaii Revised Statutes, and do not mandate county and private sector actions, serving instead as guidelines to coordinate the various sectors of government and private industry toward achieving the statewide objectives of the Hawaii State Planning Act and, when adopted by concurrent resolution, will be expressions of state policy but are not to be interpreted as law or statutory mandate; now, therefore,".

(4) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the Senate concurring, that the State Recreation Plan, as set forth in Exhibit A and amended as set forth in Exhibit B, said exhibits being attached hereto and made parts hereof, be adopted as the State Recreation Functional Plan for the State of Hawaii pursuant to Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 13, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 13, H.D. 1.

Signed by all members of the Committees.

SCRep. 636 Employment Opportunities and Labor Relations on H.R. No. 117

The purpose of this resolution is to request the Department of Labor and Industrial Relations of the State of Hawaii and the Mayors of each county to prepare a report of their efforts and effectiveness in coordinating employment education and training with occupational demand. This report is to be submitted to the Legislature ten legislative days prior to the adjournment of the Regular Session of 1983.

Your Committee finds that it is important for the Legislature to be made aware of the methods used by various public agencies and institutions to ascertain changing occupational demands and to evaluate the capability of these agencies and institutions to adjust their programs and efforts to those changes, in order that the public can be assured that unemployment is being combatted in the most effective way possible.

Your Committee, after hearing testimony from the Department of Labor and Industrial Relations, finds that the University of Hawaii and the Department of Education must also be involved in the effort to coordinate education and training with occupational demands. Accordingly, your Committee has amended this resolution by including these two agencies to report on their efforts and effectiveness in coordinating education and training with occupational demand, and to receive certified copies of this resolution.

Your Committee also finds that efforts by Mayors of each County are also important in this area and therefore requests that each Mayor assist the Legislature in its efforts to coordinate education and training with occupational demand by also submitting a report.

Your Committee further finds that requesting the reports be submitted to the Legislature ten legislative days prior to the adjournment of the Regular Session of 1983 will not give the affected agencies adequate time to prepare their reports. Your Committee has amended this resolution to request the reports be submitted to the Legislature ten days

prior to the convening of the Regular Session of 1984.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.R. No. 117, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H. R. No. 117, H.D. 1.

Signed by all members of the Committee.

SCRep. 637 Employment Opportunities and Labor Relations on H.C.R. No. 48

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations of the State of Hawaii and the Mayors of each county to prepare a report of their efforts and effectiveness in coordinating employment education and training with occupational demand. This report is to be submitted to the Legislature ten legislative days prior to the adjournment of the Regular Session of 1983.

Your Committee finds that it is important for the Legislature to be made aware of the methods used by various public agencies and institutions to ascertain changing occupational demands and to evaluate the capability of these agencies and institutions to adjust their programs and efforts to those changes, in order that the public can be assured that unemployment is being combatted in the most effective way possible.

Your Committee, after hearing testimony from the Department of Labor and Industrial Relations, finds that the University of Hawaii and the Department of Education must also be involved in the effort to coordinate education and training with occupational demands. Accordingly, your Committee has amended this concurrent resolution by including these two agencies to report on their efforts and effectiveness in coordinating education and training with occupational demand, and to receive certified copies of this concurrent resolution.

Your Committee also finds that efforts by Mayors of each County are also important in this area and therefore requests that each Mayor assist the Legislature in its efforts to coordinate education and training with occupational demand by also submitting a report.

Your Committee further finds that requesting the reports be submitted to the Legislature ten legislative days prior to the adjournment of the Regular Session of 1983 will not give the affected agencies adequate time to prepare their reports. Your Committee has amended this concurrent resolution to request the reports be submitted to the Legislature ten days prior to the convening of the Regular Session of 1984.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.C.R. No. 48, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 48, H.D. 1.

Signed by all members of the Committee.

SCRep. 638 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 305

The purpose of this resolution is to request the Department of Land and Natural Resources to submit a status report to the Legislature on the development of the Kakaako waterfront park.

According to testimony, the Department of Land and Natural Resources anticipates completion by the summer of 1983 of certain planned park improvements, such as the current construction of a parking area, comfort station and other improvements near the Point Panic area. This interim park development would provide for the immediate recreational needs of surfers and fishermen who frequent the location. Plans for additional development have yet to be established.

Your Committee finds that the Hawaii Community Development Authority, charged with overseeing development of the entire Kakaako area, has already submitted to the Department of Land and Natural Resources a report containing nine conceptual design alternatives for the waterfront park, and that the Department is currently reviewing these alternatives. Your Committee is in agreement that the Legislature during the Regular Session of 1984 should review the progress of the Department in this regard.

Technical and other non-substantive amendments have been made in order to improve the language of this resolution.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 305, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 305, H.D. 1.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 639 Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 113

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to submit a status report to the Legislature on the development of the Kakaako waterfront park.

According to testimony, the Department of Land and Natural Resources anticipates completion by the summer of 1983 of certain planned park improvements, such as the current construction of a parking area, comfort station and other improvements near the Point Panic area. This interim park development would provide for the immediate recreational needs of surfers and fishermen who frequent the location. Plans for additional development have yet to be established.

Your Committee finds that the Hawaii Community Development Authority, charged with overseeing development of the entire Kakaako area, has already submitted to the Department of Land and Natural Resources a report containing nine conceptual design alternatives for the waterfront park, and that the Department is currently reviewing these alternatives. Your Committee is in agreement that the Legislature during the Regular Session of 1984 should review the progress of the Department in this regard.

Technical and other non-substantive amendments have been made in order to improve the language of this concurrent resolution.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 113, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 113, H.D. 1.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 640 Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 107

The purpose of this concurrent resolution is to expand the use of concession agreements, to be entered between the State and private developers, in order to assist the Department of Land and Natural Resources in providing for the State's camping and lodging facilities and services.

According to testimony, present and anticipated fiscal constraints may preclude the State from continuing to meet public recreational needs at State resort facilities. The use of private sector funds would enhance the State's ability to continue the development of necessary and appropriate accommodations, facilities and services at State parks such as Waimanalo Bay State Recreation Area, Malaekahana State Recreation Area, Kaiaka State Recreation Area, and Wahiawa State Freshwater Park.

Technical and other non-substantive amendments have been made to improve the language of this concurrent resolution.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 107, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 107, H.D. 1.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 641 Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 106

The purpose of this concurrent resolution is to give legislative approval for the Depart-

ment of Land and Natural Resources to develop approximately 60 acres of land on Sand Island through private developers and capital for industrial and commercial purposes, pursuant to Section 171-60, Hawaii Revised Statutes.

According to testimony, the 1981 Legislature appropriated \$70,000 for the initiation of a development project of an industrial park on Sand Island. However, fiscal constraints are such that additional funds from the State may be difficult to obtain. Therefore, passage of this concurrent resolution would enable the use of private capital to finance the project. At the same time, the State itself would sell the leases with part of the lease rentals being used to repay the developers for their investments.

Technical and other non-substantive amendments have been made to improve the language of this concurrent resolution.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 106, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 106, H.D. 1.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 642 Energy, Ecology and Environmental Protection on H.R. No. 157

The purpose of this Resolution is to request that the Director of Planning and Economic Development convene and chair a Conservation Coordination Committee to include the President of the University of Hawaii, the Superintendent of Education, the Director of Transportation and the Comptroller for the purpose of coordinating the conservation implementation program developed by the Department of Planning and Economic Development.

Your Committee finds that the State currently spends approximately \$30 million per year on electrical energy. Conservation measures employed by the City and County of Honolulu and the private sector have demonstrated energy savings potentials between 10 to 30 per cent.

Your Committee further finds that one of the major areas of concern addressed in the State Energy Functional Plan is energy conservation. Toward this end, the Department of Planning and Economic Development is currently developing the conservation implementation program. Your Committee believes that through the coordinated efforts of all State departments and agencies, greater progress is possible to reach the maximum energy efficiency in all State buildings and facilities.

Your Committee has amended H.R. No. 157 by including the Director of Planning and Economic Development as a recipient of a certified copy of this Resolution.

Your Committee on Energy, Ecology and Environmental Protection concurs with the intent and purpose of H.R. No. 157, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 157, H.D. 1.

Signed by all members of the Committee.

SCRep. 643 Energy, Ecology and Environmental Protection on H.C.R. No. 60

The purpose of this Concurrent Resolution is to request that the Director of Planning and Economic Development convene and chair a Conservation Coordination Committee to include the President of the University of Hawaii, the Superintendent of Education, the Director of Transportation and the Comptroller for the purpose of coordinating the conservation implementation program developed by the Department of Planning and Economic Development.

Your Committee finds that the State currently spends approximately \$30 million per year on electrical energy. Conservation measures employed by the City and County of Honolulu and the private sector have demonstrated energy savings potentials between 10 to 30 per cent.

Your Committee further finds that one of the major areas of concern addressed in the State Energy Functional Plan is energy conservation. Toward this end, the Department of Planning and Economic Development is currently developing the conservation implementation program. Your Committee believes that through the coordinated efforts

of all State departments and agencies, greater progress is possible to reach the maximum energy efficiency in all State buildings and facilities.

Your Committee has amended H.C.R. No. 60 by including the Director of Planning and Economic Development as a recipient of a certified copy of this Concurrent Resolution.

Your Committee on Energy, Ecology and Environmental Protection concurs with the intent and purpose of H.C.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 60, H.D. 1.

Signed by all members of the Committee.

SCRep. 644 Energy, Ecology and Environmental Protection on H.R. No. 198

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a feasibility study concerning the establishment of an Information and Education Office which would be responsible for creating and implementing a program of educational activities in and about our State for the benefit of Hawaii residents and visitors.

Your Committee finds that although Hawaii has a fascinating and unique heritage of flora and fauna, there is no public information and education program in Hawaii devoted to the coordination and distribution of information on this subject. Your Committee finds that a feasibility study concerning the establishment of an information and education office is necessary at this time in order to assess this possibility.

Your Committee further finds that the Department of Education and the Department of Planning and Economic Development currently operate information offices concerning their respective functions. Therefore, this resolution has been amended to request that the Department of Land and Natural Resources study the operations of existing information and education facilities of State and County agencies including those of the Department of Planning and Economic Development and the Department of Education.

Your Committee on Energy, Ecology, and Environmental Protection concurs with the intent and purpose of H.R. No. 198, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto, as H.R. No. 198, H.D. 1.

Signed by all members of the Committee.

SCRep. 645 Energy, Ecology and Environmental Protection on H.R. No. 140

The purpose of this Resolution is to request the Hawaii Natural Energy Institute, the Department of Planning and Economic Development, and the Department of Agriculture to conduct a review of all current agri-energy research and development efforts in the State for the purpose of determining how development proposals can be made cost-effective, and to outline the State's role in assisting private industry in implementing such proposals.

Your Committee finds that the Technical Reference Document of the State Agricultural Plan notes that there are many on-going efforts in agri-energy research and development projects. Research has already proven that agricultural products such as sugar, pineapple, and corn can be used for the production of energy to help relieve Hawaii's almost total dependence on imported petroleum for electric power generation and motor vehicle fuel.

While there are encouraging signs from these research efforts, private industry has concluded that it is not economically feasible in the foreseeable future to produce ethanol without government subsidy. Your Committee finds that the establishment of agri-energy processing plants has as much importance to the State as it has for private industry. Therefore, your Committee finds that a joint review by the Department of Planning and Economic Development, the Hawaii Natural Energy Institute, and the Department of Agriculture of all current agri-energy research and development efforts in the State as recommended in this Resolution could hasten the development and implementation of such projects.

Your Committee on Energy, Ecology, and Environmental Protection concurs with the intent and purpose of H.R. No. 140 and recommends that it be referred to the Committee

on Finance.

Signed by all members of the Committee.

SCRep. 646 Energy, Ecology and Environmental Protection on H.R. No. 128

The purpose of this resolution is to request the Hawaii Natural Energy Institute (HNEI), the County of Maui, the Hawaiian Electric Company, the Maui Electric Company, and the Molokai Electric Company to determine the feasibility of an undersea cable providing for the energy needs of Molokai, Maui, and Lanai.

Your Committee finds that the Molokai Electric Company has long been faced with problems of negative growth and the inability to obtain long term financing. Molokai Electric's conversion to biomass energy generation was an attempt to lower future energy costs and, at the same time, produce excess energy for eventual export to the nearest population centers that need this electricity. Therefore, serious consideration should be given to connecting the islands of Molokai, Maui, and Lanai with an undersea electric cable.

Your Committee further finds that in January, 1979, HNEI published a document entitled: "A Study of the Feasibility of Linking the Islands of Maui, Molokai, and Lanai with Submarine Electrical Power Cables" which provide a starting point for further study and analysis. Your Committee further finds that an expanded and updated version of this document would contribute to the purposes of this resolution.

Your Committee has therefore amended the resolution to request that HNEI, with the assistance of the County of Maui, the Hawaiian Electric Company, the Molokai Electric Company, and the Maui Electric Company, submit an updated version of this report to the Legislature. Your Committee has further amended the resolution to request that the report include an analysis of the following issues: financing, ownership of the cable, environmental impacts, and the interrelationships between the principal parties that would be involved in such a project.

Your Committee on Energy, Ecology, and Environmental Protection concurs with the intent and purpose of H.R. No. 128, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 128, H.D. 1.

Signed by all members of the Committee.

SCRep. 647 Water, Land Use, Development and Hawaiian Affairs and Tourism on H.R. No. 263

The purpose of this resolution is to request the Sea Grant Extension Services of the University of Hawaii at Manoa to coordinate the planning and development of marine activities and facilities on the Big Island in order to promote actively the island as a prime destination for marine-oriented visitors.

Your Committees find that marine-related recreation and its appurtenant businesses, including scuba diving, have a substantial industry sale exceeding \$4 million per annum. If developed, the Big Island's marine activities and facilities could attract residents and visitors alike and contribute greatly to economic diversification and social well-being of the Big Island, as well as to greater appreciation and understanding of and sensitivity to our oceans by all people.

According to testimony, the Waikiki Aquarium has been involved in the past several years in the marine education of Big Island students through its Neighbor Island Docent Program, through its established cooperative relationship with the Sea Grant Extension Service. To maintain the relationship, which includes the presentation of lecture series and other programs of public interest by the Waikiki Aquarium, your Committees are of the opinion that close cooperation between the Sea Grant Extension Service and the Waikiki Aquarium should be continued. Therefore, your Committees have amended this resolution in the following manner:

1. That the seventh "Whereas" be amended to read: "WHEREAS, the Sea Grant Extension Service at the University of Hawaii at Manoa, the Waikiki Aquarium and other agencies are already assisting in the development of the marine activities and facilities on the Big Island; now, therefore,".

2. That the "Be It Resolved" be amended to read: "BE IT RESOLVED...that the University of Hawaii Sea Grant Extension Service and the Waikiki Aquarium, in cooperation with the Hawaii Visitors Bureau, the Department of Planning and Economic Development, the Department of Land and Natural Resources, the County of Hawaii, the Natural Energy Laboratory of Hawaii and the U.S. National Parks Service be requested to investigate and promote the possible development of marine activities and facilities on the Big Island as visitor attractions; and".
3. That the first "Be It Further Resolved" be amended to read: "BE IT FURTHER RESOLVED that discussions undertaken by the Sea Grant Extension Service, the Waikiki Aquarium and other cooperating agencies include..."

Technical and non-substantive amendments have also been made.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Tourism concur with the intent and purpose of H.R. No. 263, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 263, H.D. 1.

Signed by all members of the Committees.

SCRep. 648 Consumer Protection and Commerce on H.C.R. No. 91

The purpose of this concurrent resolution is to request the Insurance Commissioner, in conjunction with representatives of the Hawaii Bar Association, insurance industry, and the Office of the Legislative Auditor to study the necessity and feasibility of a comprehensive review of the Hawaii Insurance Laws.

The Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and the Hawaii Independent Insurance Agents Association testified favorably on behalf of the resolution.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 91 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 649 Consumer Protection and Commerce on H.R. No. 287

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study of the advisability of establishing a board under the Department of Commerce and Consumer Affairs to license physical therapists and physical therapist assistants and to regulate the practice of physical therapy.

Testimony in favor of the bill was provided by the Department of Health, the Department of Commerce and Consumer Affairs, the Hawaii Chapter of the American Physical Therapy Association, the Commission on the Handicapped, and two practicing physical therapists.

Your Committee finds that, under current law, physical therapists are licensed by the Department of Health but no full-time position is assigned by the Department of Health for the licensure of physical therapists or for the investigation of illegal or inappropriate actions.

Your Committee therefore finds that the Legislature should deem regulation necessary to protect the public health and recommends that a study be conducted to determine whether a board to regulate the practice of physical therapy is necessary to provide the best protection for patients who require physical therapy.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 287 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 650 Consumer Protection and Commerce on H.R. No. 107

The purpose of this resolution is to request the Legislative Reference Bureau, with

the assistance and cooperation of the State Motor Vehicle Insurance Commissioner, to study the feasibility of reforming Hawaii's motor vehicle insurance laws to (1) assure insureds of receiving adequate compensation to repair or replace damaged vehicles, (2) permit insureds to select the repair facility, and (3) prevent unjustified premium increases in implementing (1) and (2).

Your Committee is concerned that many automobile owners involved in accidents which result in their cars being "total losses" never receive compensation from their insurance companies which will permit the insured to replace the car with one of comparable value. There was extensive questioning on this issue of the witnesses, namely the Department of Commerce and Consumer Affairs, the Hawaii Insurers Council, and the Hawaii Independent Insurance Agents Association.

The position of State Motor Vehicle Commissioner has been replaced with the position of Insurance Commissioner and this resolution has been amended accordingly.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 107, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 107, H.D. 1.

Signed by all members of the Committee.

SCRep. 651 Ocean and Marine Resources on H.C.R. No. 132

The purpose of this concurrent resolution is to request the Hawaii County Aquatic Life and Wildlife Advisory Committee to conduct meetings to determine the advisability and feasibility of restricting net fishing in Kailua Bay, Kona, Hawaii, and to transmit its findings and recommendations to the Division of Aquatic Resources of the Department of Land and Natural Resources for further evaluation and appropriate action.

Your Committee finds that conflicts frequently arise between net and pole fishermen in certain protected harbors and embayments of the State during sporadic "runs" of hahalalu, oama and other seasonal fish species.

According to testimony received by your Committee from the Department of Land and Natural Resources, the Department supports the intent of this concurrent resolution and reports that it has established rules to resolve conflicts of similar nature in other areas of the State. However, the need to equitably allocate the public fishery resources must be examined critically. Further, Administrative Rules have been promulgated to resolve similar fishermen conflicts at Hilo Bay in Hawaii, and Waimea and Hanamaulu Bays on Kauai. More recently, the Maui County Aquatic Life and Wildlife Committee has conducted public meetings to obtain public input on conflicts at Kahului Harbor on Maui, and Kaunakakai Harbor on Molokai.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 132 and recommends that it be referred to the Committee on Finance.

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

SCRep. 652 Health on S.B. No. 669

The purpose of this bill is to provide that violation of the abatement of nuisance law and the food, drug, and cosmetic law results in a fine of not more than \$10,000 for each separate offense. It further allows the director of health to impose the civil penalty and provides for injunctive relief in order to prevent violations. This bill also excludes animal feed, other than cat and dog food, from department of health jurisdiction and eliminates outdated federal rules adopted by the 1977 legislature.

Your Committee agrees that this bill should encourage uniform procedures throughout the diversity of program areas within the department, to assure better protection of the public. Your Committee also finds that this bill would help to eliminate duplication of duties between the state departments of health and agriculture in regulating animal food by clearly stating that the authority over only dog and cat food shall rest with the department of health.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 669, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hagino.

SCRep. 653 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 139

The purpose of this 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.

Your Committee finds that the State and the City and County of Honolulu have already completed a jurisdictional evaluation of recreation sites and an exchange plan to implement the transfer of an initial group of parks. According to testimony, the proposal for exchange includes the following parks in the initial phase of transfer:

<u>Transfer to County</u>	<u>Transfer to State</u>
Honolulu Stadium State Park	Kawainui Marsh
Sans Souci State Recreation Area	Kahana Bay Beach Park
Aina Moana State Recreation Area	Hanauma Bay
	Kuilei Cliffs/Diamond Head Beach Park.

According to testimony, 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 S.B. No. 139, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 654 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 920 (Majority)

The purpose of this bill is to amend Section 208(5) of the Hawaiian Homes Commission Act, 1920, as amended, to allow lessees of Hawaiian home lands to surrender uncultivated portions of the homestead tracts, being designated as agricultural or pastoral lots, back to the Department of Hawaiian Home Lands for further award in accordance with the purposes of the Act.

According to testimony, the Department of Hawaiian Home Lands has administrative rules which provide for the subdivision of residential lots by homestead lessees and a subsequent transfer of a portion of the residential lots to another qualified native Hawaiian. However, such rules do not apply for subdivision of agricultural or pastoral lots of homestead lessees. In effect, the bill proposes to allow lessees of agricultural or pastoral lots to surrender uncultivated portions of their lands to the Department for subsequent re-awarding of parcels of land.

Your Committee has amended the bill to require that the resulting subdivided portions must qualify as "agricultural" or "pastoral", according to the Commission's rules. This amendment is made at the suggestion of the Department.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 920, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 920, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami. (Representatives Crozier, Hee and Nakata did not concur.)

SCRep. 655 Agriculture on S.B. No. 1027

The purpose of this bill is to provide interim loans to farmers and ranchers who have been unable to obtain adequate immediate relief for Hurricane Iwa damage under existing relief programs, by providing an appropriation of \$1,000,000 to the Department of Agriculture for that purpose; and by amending section 155-3, Hawaii Revised Statutes, to remove the restrictions on class D disaster loans made under section 155-9(4), Hawaii Revised Statutes, so that farmers may obtain such loans while applications for federal or private loans are being processed.

Your Committee concurs with the recommendation of the Hawaii Farm Bureau Federation that approximately \$1,500,000 will be required to reestablish the crops damaged by Hurricane Iwa and, therefore, section 3 of the bill has been amended accordingly.

While in agreement with the intent of this bill to provide loans to farmers and ranchers who have been unable to obtain adequate immediate relief from Hurricane Iwa damage under existing relief programs, your Committee believes that amending section 155-3, Hawaii Revised Statutes, to remove the restrictions on class D disaster loans will allow farmers to choose between federal and state loan programs and this would not be consistent with the intent of the State's emergency loan program. Your Committee has, therefore, amended this bill by deleting section 2 in its entirety and renumbered the remaining sections.

Your Committee has also amended section 1 of this bill by deleting the word "interim" on line 4, to reflect the amended purpose of this bill, and changed the word "hurricane" to "Hurricane" on line 2.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1027, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1027, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 656 Agriculture on S.B. No. 650

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

According to an opinion of the Attorney General, those sections of Part II, Chapter 148 relating to poultry labeling, i.e., sections 148-12 and 148-13, have been preempted by federal legislation and are invalid. The other sections of Part II are for the purpose of enforcing the preempted sections and, therefore, are of no substance.

Your Committee is in agreement that as a result of the preemption of sections 148-12 and 148-13, Hawaii Revised Statutes, by federal legislation, Part II of Chapter 148 should be repealed.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 650, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 657 Agriculture on S.B. No. 370

The purpose of this bill is to allow the Department of Agriculture to suspend payments of principal and interest on loans made to farmers by the department under Chapter 155, Hawaii Revised Statutes.

Section 155-13(c), Hawaii Revised Statutes, presently allows a lender to extend the time for making repayments of principal on loans if the borrower is in a state of extreme financial hardship. This bill broadens the section to allow suspension of payment of both principal and interest, if there exists financial hardship caused by, among other things, natural catastrophes.

Your Committee agrees that this bill is needed to provide financial relief to farmers who are unable to make immediate payments on state agricultural loans as a result of hardship caused by Hurricane Iwa.

While in agreement with the intent of the bill to allow suspension of payment of both principal and interest on loans, your Committee believes that extensions of loans may also be desirable. Your Committee has, therefore, amended page 1, line 12 of this bill to provide for extending or suspending principal and interest installment payments.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 370, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 370, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 658 Agriculture on S.B. No. 324

The purpose of this bill is to protect the bee industry by prohibiting the importation of live or dead bees into the State.

This bill would protect the bee industry by amending section 150A-6, Hawaii Revised Statutes, to prohibit the importation of live or dead bees to prevent the introduction of honeybee mites (Varroa jacobsoni and Acarapis woodi) and to maintain the disease resistance of Hawaii's bees.

Your Committee has received testimony in support of this bill from the Hawaii Beekeeping Association, the Hawaii Farm Bureau Federation, and the Department of Agriculture.

Testimony in opposition to this bill was received from the Kona Queen Co. and Powers Apiaries.

The College of Tropical Agriculture and Human Resources provided testimony relative to the benefits, costs and risks attendant with prohibiting the importation of honey bees.

Your Committee finds that, in 1981, Hawaii's bee industry was valued at approximately \$466,000 for honey, \$30,000 for beeswax, and \$300,000 for a queen bee export industry. This bill would protect the honey and beeswax sectors of the industry, but would have an adverse effect on the queen export industry.

Your Committee also finds that although there is no evidence of infestation of honey bees by these organisms in the continental United States at this time, there is no method of accurately determining when honey bees from northern Mexico carrying these organisms will cross over into the United States.

Your Committee further finds that although this bill would have an adverse effect on the queen export sector of the bee industry, the inadvertant admission of any honey bees infected with either of these organisms would have an even greater deleterious impact on all sectors of Hawaii's bee industry and, therefore, recommends passage of this bill.

Your Committee has made the following amendments to the bill for consistency and clarity:

- (1) Inserted the word "honey" before the word "bee" or "bees" throughout section 1.
- (2) Page 1, lines 12 and 13 - delete reference to "used bee equipment" and include concern for live and dead honey bees.
- (3) Page 4, line 7 - insert the word "honey" between "dead" and "bees".

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 324, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 324, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 659 Energy, Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs on S.B. No. 1279

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. This bill will consolidate the fragmented functions of these groups and will streamline the evaluation and review of environmental impact statements.

This bill as received by your Committee, will require the director of the Office of Environmental Quality Control to be an ex-officio voting member of the Environmental Council. The director will be exempt from the appointment requirements and term of membership restrictions placed on other members of the council. This bill also clarifies that the director need not be the chairperson of the council.

Your Committee finds that this bill currently proposes to require the council to meet at the call of the council chairperson instead of at the call of the director. Your Committee

feels that this authority should also be extended to the director. This bill has been amended to allow the director or the council chairperson to convene council meetings.

Your Committee on Energy, Ecology and Environmental Protection and your Committee on Water, Land Use Development, and Hawaiian Affairs are in accord with the intent and purpose of S.B. No. 1279 S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1279, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 660 Energy, Ecology and Environmental Protection on S.B. No. 1285

The purpose of this bill is to transfer the responsibility of 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 presently, the Counties have the responsibility for determining land uses, zoning, and the approval of development plans. The State reviews and approves wastewater treatment and disposal systems proposed for new development. This division of authority and responsibility has often resulted in the duplication of development tasks and requirements, and in the development of wastewater treatment and disposal systems in areas of high health and environmental risks.

Your Committee further 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. In 1980, each county council passed resolutions adopting their Water Quality Management Plans. The plan addresses the question of the delegation of responsibility for regulation of private wastewater facilities and recommends that delegation occur to the maximum extent possible.

Your Committee concludes that the Counties should actively undertake the transfer of responsibility.

Your Committee has amended this bill by inserting the term "new" with every reference to "private wastewater treatment works". This provision clarifies that the Counties' responsibilities are limited to new projects because the Department of Health should maintain the responsibility for those projects the department has approved.

This bill has been further amended by deleting all references to "individual wastewater treatment works". The Department of Health's authority to regulate cesspools and other individual wastewater disposal systems are contained in Section 321, HRS, instead of Section 342, HRS. Therefore, the references to "individual wastewater treatment works" in this bill are inappropriate.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of S.B. No. 1285, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 661 Employment Opportunities and Labor Relations on S.B. No. 834

The purpose of this bill is to establish a state-funded job training program for dislocated workers under the federal Job Training Partnership Act (JTPA) of 1982.

Under the JTPA, states are required to match federal funds, dollar for dollar, through non-federal contributions. The program and funding provided by this bill fulfills this requirement and would allow the State to receive federal funds to establish a program for its dislocated workers.

In keeping with the intent and purpose of this bill, your Committee has amended the bill by substituting "retrained" for "retained" on page 2, line 16.

Your Committee on Employment Opportunities and Labor Relations is in accord with

the intent and purpose of S.B. No. 834, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 834, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 662 Employment Opportunities and Labor Relations on S.B. No. 507

The purpose of this bill is to increase the monthly exemption under the Hawaii Wage and Hour Law.

Presently, an individual who is guaranteed compensation of \$700 or more per month is exempt from overtime coverage under the Hawaii Wage and Hour Law regardless of the type of work performed.

Your Committee finds that \$700 per month is too low for overtime exemption. That amount is actually less than the statutory minimum wage based on a forty-eight hour workweek. The last raise in monetary exemption was in 1969 when the minimum wage was \$1.40 an hour. Since then the minimum wage has been increased seven times while the overtime exemption has remained the same.

This bill raises the overtime exemption for salaried employees from \$700 to \$1000 per month.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of S.B. No. 507, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 663 Judiciary on S.B. No. 6

The purpose of this bill is to appropriate \$332,019.81 for the compensation awards made to victims of crimes by the Criminal Injuries Compensation Commission pursuant to Chapter 351, Hawaii Revised Statutes.

Your Committee wishes to express its concerns over the judgmental nature of "pain and suffering" awards and how best to afford equitable treatment to victims. Your Committee also wishes to express its 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 be best addressed by a comprehensive review of Chapter 351, Hawaii Revised Statutes.

Your Committee has made technical, nonsubstantive amendments to the bill.

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

Signed by all members of the Committee except Representative Tom.

SCRep. 664 Judiciary on S.B. No. 241

The purpose of this bill is to ensure that examiners who testify as experts in penal proceedings where mental illness is an issue, are qualified to do so by experience and training.

Your Committee has heard testimony from the Department of Health in support of the intent of the bill, but the Department also expressed concern regarding the requirements for certification as to forensic qualifications. Accordingly, your Committee has amended the bill by deleting the provisions pertaining to the requirements for certification as to forensic qualifications.

Your Committee has instead amended the bill to require that the three examiners, who shall examine and report to the court upon the physical and mental condition of the defendant, shall be from a list approved by the Department of Health. It is the intent of your Committee, that the list approved by the Department of Health shall be based upon rules and regulations stating the requirements for placement on the list. The requirements should be those designed to insure that examiners have forensic qualifications and experience as forensic examiners. The rules and regulations shall be promulgated pursuant to the requirements of Chapter 91 of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 241, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 241, S.D. 1, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 665 Judiciary on S.B. No. 312

The purpose of this bill is to enable the court to impose sentence without a pre-sentence diagnosis in all cases where the defendant has committed an offense that is subject to a mandatory minimum sentence and for which a suspended sentence or probation is not permitted.

Your Committee finds that it serves no useful purpose to delay imposing sentence, pending completion of a pre-sentence diagnosis in cases where the court has no discretion in sentencing. The length of time required to prepare pre-sentence reports delays the placement of the sentenced defendant in an appropriate facility.

Your Committee further finds that there is a need in developing alternative sentencing practices, and accordingly, has amended the bill by establishing a Supervised Work Alternative Program (SWAP) within the Corrections Division of the Department of Social Services and Housing. This program will enable the sentencing judge an alternative to incarceration, while recognizing the need for a punitive alternative.

It is the intent of your Committee that this program shall be an alternative to a sentence of imprisonment for a petty misdemeanor, misdemeanor or as a condition of probation for any offense for which probation is allowed.

Your Committee has amended the bill for purposes of clarification and made other technical, nonsubstantive amendments.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 312, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 312, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 666 Judiciary on S.B. No. 492

The purpose of this bill is to enable court reporters to provide court manuscripts and copies to the Public Defender on the same basis as transcripts and copies now provided to the other government attorneys. The bill amends section 606-13, Hawaii Revised Statutes.

The Public Defender will be accommodated in the same manner as other government attorneys. Your Committee finds no reason to accord different treatment of the Public Defender from the Attorney General, the County Prosecuting Attorney, or Corporation Counsel in obtaining manuscripts or copies.

Your Committee has made a technical nonsubstantive amendment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 492, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 492, S.D. 1, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 667 Judiciary on S.B. No. 1251

The purpose of this bill is to repeal section 247-6(f) Hawaii Revised Statutes, relating to conveyance tax which makes it illegal for any state employee to reveal information contained on a certificate of conveyance of real property.

Your Committee finds that the vast majority of the information contained in certificates of conveyance can be legally obtained through an examination of other public documents available at the Bureau of Conveyance and the Department of Taxation.

A measure identical to this bill was approved by the 1982 legislature and vetoed by the Governor who was concerned that repealing the confidentiality provision might discourage parties from making a full disclosure of the terms of a sale of real property. Your Committee finds that these concerns, expressed in the Governor's veto message are adequately addressed by the penalty provisions of Section 247-11, Hawaii Revised Statutes, which provides that any person who knowingly makes a false declaration on any certificate or certificates required under the conveyance tax law shall be subject to either fines or imprisonment or both.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1251, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 668 Judiciary on S.B. No. 1192

The purpose of this bill is to maintain the Hawaii Crime Commission, which was established within the office of the Lieutenant Governor, for administrative purposes only, commencing on July 1, 1981.

Your Committee finds that the Hawaii Crime Commission serves to improve and monitor the criminal justice system and should be allowed to continue its work.

The Senate bill will continue the Hawaii Crime Commission through June 30, 1984. Your Committee has amended this bill to extend the Hawaii Crime Commission through June 30, 1985. 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.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1192, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1192, S.D. 2, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 669 Human Services on S.B. No. 203

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 on Human Services is in accord with the intent and purpose of S.B. No. 203 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 670 Employment Opportunities and Labor Relations and Public Employment
and Government Operations on S.B. No. 833

The purpose of this bill is to establish the administrative framework necessary for implementing the federal Job Training Partnership Act (JTPA).

The Hawaii Job Training Coordinating Council has been established based on the mandate of the federal JTPA. This council, which serves in an advisory capacity to the governor, would require the services of an executive director and a program assistant in order to properly implement JTPA.

In contrast to the temporary nature of the Comprehensive Employment and Training Act (CETA), which it has replaced, JTPA represents the Reagan Administration's concept of "new federalism" placing the responsibility of implementing the new jobs program on the states.

According to testimony of the department of labor and industrial relations, the successful implementation of JTPA by October 1, 1983, is heavily dependent upon maintaining an experienced staff.

This bill would provide the Hawaii Job Training Coordinating Council with the services of an executive director and a program assistant, as well as retain the expertise of those temporary employees hired under CETA.

Your Committee on Employment Opportunities and Labor Relations and Public Employment and Government Operations are in accord with the intent and purpose of S.B. No. 833, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Anderson and Medeiros.

SCRep. 671 Consumer Protection and Commerce on S.B. No. 1338

The purpose of this bill is to address concerns expressed by the Legislative Auditor's Sunset Evaluation Report on the Real Estate Commission.

Section 1 of the bill deletes the good character requirement for issuance of a real estate license.

Section 2 authorizes the Commission to establish deadlines for submission of license applications. Since 1974, the Commission has had rules establishing deadlines for submission of license and examination applications. The current filing deadline in the rules is ninety days from the date of examination.

Section 3 maintains a residency requirement, leaving in the original language in Section 467-9.5(1), Hawaii Revised Statutes. It also clarifies the Commission's authority to establish experience guidelines as a prerequisite for taking the written examination.

Section 4 authorizes the Commission to impose other conditions for restoration of a license as it may deem necessary. As a measure to insure the competency of licensees, your Committee agrees that reexamination or education as a condition of reinstatement helps to ensure that individuals who have forfeited their license have retained at least entry level skills before being reinstated.

Section 5 increases the ceiling amount for recovery from the Real Estate Recovery Fund from \$10,000 to \$50,000 per transaction.

Section 6 increases the minimum balance in the Real Estate Recovery Fund from \$150,000 to \$500,000, and requires from licensees an assessment of \$25 for deposit in the Real Estate Recovery Fund.

Section 7 increases the maximum liability of the Real Estate Recovery Fund from \$40,000 to \$100,000 for any one licensee.

Testimony in favor of the bill was presented by the Real Estate Commission, which also proposed several amendments regarding penalties. The Commission also provided statistics and information concerning payments from the Recovery Fund.

The Hawaii Association of Realtors gave testimony in favor of the "housekeeping" portions of the bill but questioned increasing the maximum liability of the Recovery Fund for any one licensee from \$40,000 to \$100,000. The association also expressed grave concern about raising the minimum balance in the Recovery Fund from \$150,000 to \$500,000.

Your Committee has amended the bill as follows:

- (1) Section 5 increases the ceiling amount for recovery from the Recovery Fund from \$10,000 to \$20,000 per transaction. The Committee found that an increase to \$50,000 was excessive and unwarranted at this time.
- (2) Section 6 increases the minimum balance in the Recovery Fund from \$150,000 to \$300,000. The Committee found that an increase to \$500,000 to be excessive at this time.

Section 6 was further amended to provide that failure of the licensee to pay the assessment within sixty days from the date of assessment shall constitute a forfeiture of the license. The Commission was also authorized to impose other penalties or requirements as a condition to restoration of the license.

Section 7 increases the maximum liability of the Recovery Fund from \$40,000 to \$50,000 for any one licensee. The Committee expressed concern that an increase to \$100,000 would be excessive and might rapidly deplete the funds available in the Recovery Fund.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1338, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1338, S.D. 2, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 672 Education on S.B. No. 1122

There are two purposes of this bill: (1) to amend Section 312-2.1, Hawaii Revised Statutes, to provide that the position of State Librarian shall be exempt from Chapters 76 and 77, Hawaii Revised Statutes; and (2) to have the Board of Education determine the salary of the State Librarian not to exceed the amount as stated in the bill.

Your Committee finds that Act 150, Session Laws of Hawaii 1981, significantly increased the responsibilities of the State Librarian. Prior to that time, the State Librarian was subordinate to the Superintendent of Education, who was in turn subject to the Board of Education. The State Librarian was compensated at the level of assistant superintendent of education.

Act 150 established the Office of Library Services and the Office of the State Librarian directly under the control of the Board of Education. The State Librarian is now in a position at an equivalent level to the Superintendent of Education from an organizational standpoint within the Department of Education. In that capacity, the State Librarian is responsible for the entire state public library system of Hawaii, consisting of the Hawaii State Library, the Library for the Blind and Physically Handicapped, six regional libraries, 27 community libraries, 11 community/school libraries, and five bookmobiles. He/She supervises a staff of 442 full-time employees, and a total of 700 employees, both full-time and part-time, permanent and temporary, throughout the state. Because of the additional responsibilities, the position of the State Librarian should be compensated at the level of heads of departments in state government, or equivalent. The concept of comparable worth certainly dictates that this position is equal to that of 17 department heads in the state and should be compensated accordingly.

Your Committee has amended this bill to elevate the position of State Librarian to department head status. The purpose of this amendment is to compensate the State Librarian for the added responsibilities and the comparable worth of this position.

Your Committee on Education is in accord with the intent and purpose of S.B. 1122, S.D. 2 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1122, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 673 Education on S.B. No. 1045 (Majority)

The purpose of this bill is to direct the Board of Education to enter into negotiations with the appropriate agency of the federal government in order to have the federal government assume the obligation to educate federally connected students.

The Federal Impact Aid Program was enacted in 1950 to assist school districts whose property tax base was reduced by federal ownership of property or which had to educate an increased school population as federal installations were established. Hawaii has received impact aid funds since 1951-52, but receipts have been \$55 million less than the entitlements in the past 15 years or so. Not only has the federal government shown no inclination to redress this imbalance, but the present administration in fact has attempted to eliminate the program altogether or reduce the entitlements even further.

The Superintendent of Education stated that, at the present time, the Board of Education, the Superintendent of Education and the Legislature have the authority to negotiate with the appropriate federal agencies regarding federal impact aid. Reduced State revenues, coupled with less-than-fair federal reimbursements will jeopardize educational quality for all students. The State could lessen the impact of the former if it could obtain redress in the latter.

Your Committee finds that the bill as received would have permitted the Board of Education to enter into negotiations to secure the federal government's assumption of its obligations. Your Committee has amended this bill to enable both the chairperson of the Board or someone appointed by the Board, and the Governor or his appointee, to negotiate on behalf of the State. Your Committee believes that, as the head of the executive branch of state government, the Governor should join with the Board in these negotiations.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1045, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 674 Education on S.B. No. 1050

The purpose of this bill is to provide high school students with greater access to classes outside their district.

The Department of Education testified that present departmental policy permits school district exemptions for enrollment in a specific class in another district if that class is not offered in a student's own school or district. This bill gives statutory authority for such exceptions.

Your Committee has amended line five of this bill, substituting the word "may" for the word "shall". Your Committee believes that this amendment would preserve the intent of the bill, which is to maximize the use of limited resources, while at the same time accommodating the concern of the DOE for such matters as classes already filled to capacity.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 675 Education and Transportation on S.B. No. 368

The purpose of this bill is to reassign school vehicle safety responsibilities to the Department of Transportation, so that they will be responsible for school bus safety rules and standards relating to school vehicles, equipment and drivers. The responsibilities for the Department of Transportation will include vehicle equipment inspection and maintenance, and the monitoring and enforcement of safety standards, while the Department of Education will be responsible for school vehicle passenger safety and conduct.

Your Committees find that this reassignment of duties recognizes current practice

among the departments, and this bill should clarify departmental responsibilities and appropriately assign duties according to department function.

Your Committees have amended this bill to include an appropriation out of the state highway fund for the sum of \$183,316 or so much thereof as may be necessary to carry out the purpose of this act. The sum appropriated shall be expended by the Department of Transportation.

Your Committee on Education and your Committee on Transportation are in accord with the intent and purpose of S.B. No. 368, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 368, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 676 Transportation on S.B. No. 741

The purpose of this bill is to simplify, make more equitable, and better interface with the staggered vehicle registration system the State laws relating to county vehicular tax refunds, vehicles removed from the State, junked vehicles, and vehicles brought into the State, and to modify the present vehicular tax exemptions for stored vehicles.

Present law provides a vehicular tax grace period for vehicles brought into the State of "the remaining period of the year". Your Committee finds that this provision does not account for vehicles brought into the State from states and countries which tax vehicles less frequently than once a year. Current law also provides that this grace period applies to vehicles for which taxes have been paid in the state or country of the owner's residence. Your Committee finds that this unfairly discriminates against persons, including Hawaii residents, who own a car licensed in a state or country other than that of their residence by requiring that they pay two taxes on the same vehicle for the same period. Therefore, your Committee favors the adoption of the provisions of S.B. No. 741, S.D. 1, which provide that vehicles brought into the State shall be exempt from payment of county vehicular taxes and display of Hawaii license plates for the lesser of twelve months or the remaining period of the year for which taxes have been paid on the vehicle by its owner in compliance with the law of the state or country in which the vehicle is licensed.

However, your Committee has amended page 2, lines 7-8 of the bill to provide that the tax exemption for vehicles brought into the State shall be effective for "twelve months or the remaining portion of the current registration year, whichever is less", because the remaining period of a year will never exceed twelve months.

Under present statutes, a vehicle must be currently registered before the Director of Finance can accept the junking of the vehicle. Your Committee finds that most junked vehicles cannot pass a safety inspection, a requirement for vehicle registration, and that most vehicle owners are not willing to pay vehicular taxes for a vehicle which will be junked as soon as it is registered. The result of this has been the abandonment of vehicles on both public and private property. Therefore, your Committee supports the provisions of S.B. No. 741, S.D. 1, which allow the Director of Finance to accept, under certain conditions, the junking of a vehicle not currently registered. However, your Committee has amended page 4, line 22 of the bill to add the words "such owner" for clarification.

Present statutes provide for refunds equal to the taxes paid for the remaining full quarters of the current registration year when a vehicle is put into storage. They also require the surrendering of the current license plates for the vehicle. They also distinguish between "certificates" stating the fact of storage which are filed with the Director of Finance between December 31 and March 31 and those which are filed at other times of the year. This provision is a hold-over from the period prior to the present "staggered" vehicle registration system. This bill would replace the term "certificate" with "affidavit", would eliminate the distinction between December-March storage and storage at other times of the year, and would provide for tax refunds for stored vehicles based on the number of full months remaining in the current registration year. It would also provide that the owner of a stored vehicle would be liable for vehicular taxes only for the period the license plates for the vehicle could have been validated by an emblem.

Finally, S.B. No. 741, S.D. 1, amends the provision relating to vehicular tax refunds for junked vehicles and vehicles removed from the State in the following respects. First, it removes references to the "calendar" year. Second, it eliminates the requirement

that the vehicle be "permanently" junked before a refund may be obtained. Third, it replaces the "certificate" requirement with an "affidavit" requirement. Fourth, it permits the Director of Finance to require, in addition to surrender of the vehicle's current license plates, the surrender of "any other documents". Your Committee finds that these provisions will clarify the present law, dovetail it with the staggered vehicle registration system, and allow the Director of Finance discretion in obtaining proof of the fact of a vehicle's junking or removal from the State. However, your Committee has amended page 3, lines 7 and 9 of the bill by replacing commas with semicolons. The purpose of this amendment is to make it clear that the provision permitting the Director of Finance to require "other relevant facts" in the affidavit applies to affidavits relating to both a vehicle removed from the State and a vehicle's junking.

Your Committee has also made technical nonsubstantive amendments to conform the bill to recommended drafting style.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 741, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 741, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 677 Transportation on S.B. No. 366

The purpose of this bill is to maintain a workable number of commission members on 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, and three members are to be selected at-large, for a total of eleven members. Prior to reapportionment there were eight senatorial districts. Following reapportionment and the establishment of twenty-five single-member senatorial districts, the commission's membership would expand to twenty-eight, an unwieldy number.

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 has made a technical, nonsubstantive amendment to the bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 366, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 678 Transportation on S.B. No. 418

The purpose of this bill as received by your Committee is to designate that area acquired under the authority of item C-51, section 1, Act 40, Session Laws of Hawaii 1968, "Kona Airport at Keahole".

Your Committee received testimony that the airline business presently refers to the airport located at Keahole Point, island of Hawaii, as "Kona Airport". Your Committee also finds that it would be cumbersome to refer to this airport as "Kona Airport at Keahole".

Your Committee has therefore amended lines 10-11 of this bill to change the designation of the airport at Keahole Point from "'Kona Airport at Keahole', island of Hawaii" to "'Kona Airport' situated at Keahole, island of Hawaii".

Your Committee on Transportation is in accord with the intent and purpose of S.B.

No. 418, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 418, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 679 Transportation on S.B. No. 723

The purpose of this bill is to remove the present prohibition against the Kauai County Board of Supervisors taking over, receiving, grading or doing construction on streets, water lines, street lighting or sewers in certain subdivisions and against their accepting streets, avenues or alleys in those subdivisions unless the appropriate street or way has been laid out, approved, and improved in accordance with applicable standards.

Your Committee received testimony from the Kauai County Council stating that under present law, the County of Kauai is the only county in the State which is statutorily restricted in this fashion.

Your Committee finds that this measure will promote the principle of "home rule" for Kauai County. It is therefore the intent of your Committee that this measure permit, but not mandate the County of Kauai to accept certain "substandard" roads and utilities.

Your Committee made technical, nonsubstantive amendments to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 723, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 680 Education on S.B. No. 1048

The purpose of this bill is to require the Department of Education to promote the establishment of after-school programs at each public school where elementary grades are offered or at a nearby site if the school facilities are inadequate.

Your committee finds that the Department of Education presently permits the use of school facilities by outside groups to provide after-school child care programs. This bill permits the department to establish after-school programs within its capability and allows the department to enter into agreements or contracts with individuals, organizations, or agencies to provide the services.

Your Committee on Education is in accord with the intent and purpose of S.B. 1048, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 681 Judiciary and Higher Education and the Arts on S.B. No. 891

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 extended \$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 have considered 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 S.B. No. 891, S.D. 2 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 682 Human Services on S.B. No. 977

The purpose of this bill is to create a Hawaii security net and amend the definition of the term "medical care" to allow the Department of Social Services and Housing (DSSH) discretion in the dispensation of its medical assistance program.

Your Committee recognizes that a proviso in Section 19, Part III of H.B. No. 1, H.D. 1, would provide an adequate vehicle for the DSSH to make necessary cutbacks in the medical assistance program. Failing the enactment of that provision, however, this bill would allow the DSSH the option to delete certain services under the medical assistance program to accommodate funding shortfalls. It is not the Committee's intent that the Department be allowed this option indefinitely or without accountability to the legislature. The bill therefore provides for the definition of "medical care" to revert back to its present form on July 1, 1984, thus mandating the current range of services under medical assistance.

Your Committee has amended this bill by clarifying the proposed redefinition of "medical care." Furthermore, your Committee has amended the proposed subsection (12) under section 346-14, Hawaii Revised Statutes, by requiring a biannual report to the legislature on the resources necessary to maintain the safety net, instead of an annual one.

Your Committee on Human Services is in accord with the intent and purposes of S.B. No. 977, S.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as S.B. No. 977, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Tom.

SCRep. 683 Human Services on S.B. No. 302

The purpose of this bill is to exempt the gross income received or derived from the retail sale of prescription drugs from the general excise tax.

The gross income from the retail sale of prescription drugs currently is taxed at the rate of four per cent under the general excise tax law. The Department of Taxation estimates that \$1.5 million in general excise tax revenues will be lost if this bill is enacted into law, but has stated that it has no objection to enactment. Your Committee finds that the benefits resulting from this bill to individuals, especially senior citizens who have very little income and require much prescribed medication, outweigh the cost to the State. Thus, your Committee feels that Hawaii should join the twenty-six states which currently exempt from taxation the retail sales of prescription drugs, and recommends favorable action on this bill.

Your Committee has amended the bill by changing the effective date from July 1, 1983 to January 1, 1984. This amendment is prompted by the testimony of the Department indicating that a six month period is necessary for informing the public of the law, particularly the retail distributors who now apply the tax.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 302, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 302, S.D. 1, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 684 Housing on S.B. No. 520

The purpose of this bill is to reduce the time 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 tenant accounts receivable to less than 1 per cent for each public housing agency in Region IX. HHA's delinquency rate is currently at 5 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.

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 from two years to 90 days which delinquent rent accounts must remain on HHA's records. 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 HHA records. To further this end, the bill also provides that delinquent accounts which are removed from HHA records after 90 days may be assigned to a collection agency.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 814, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 814, H.D. 1.

Signed by all members of the Committee.

SCRep. 685 Housing on S.B. No. 608

The purpose of the bill is to expand the applicability of the Rental Assistance Program to include rental housing projects financed by the Farmers Home Administration or the Department of Housing and Urban Development.

Your Committee finds that the rental subsidies provided under the program are currently limited to housing projects which are financed with the proceeds from the sale of Hula Mae bonds. Yet, the need for a rental assistance program where qualified tenants are assisted with rental payments is quite evident. On Oahu alone, about 23 percent of the households pay in excess of 25 percent of their income on rent, 18 percent of the households pay more than 30 percent of their income on rent, and 8 percent more than 50 percent of their income on rent according to the recent U.S. Bureau of Census data.

Your Committee recognizes that rent subsidies in addition to below-market-rate mortgages are needed to overcome the disincentives to building new rental housing for households of low and moderate income. With the severe federal cutbacks that we have been experiencing, the State must take positive action in this area.

Your Committee on Housing is in accord with the intent and purpose of S.B. No.

608, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 686 Consumer Protection and Commerce on S.B. No. 169

The purpose of this bill is to require a motor vehicle repair dealer to have a registered or a registered and certified motor vehicle mechanic in its employment before a repair shop can be registered.

The Senate Committee received testimony from the Motor Vehicle Repair Industry Board which supported passage of this bill, and was favorably impressed with the efforts of the industry to establish accountability and responsibility within repair establishments. The bill also applies to advertising by requiring that no motor vehicle repair dealer advertise without holding a valid motor vehicle repair dealer license. This would provide added protection to the interests of consumers who require the services of motor vehicle repair shops.

Your Committee heard the companion bill H.B. 285 and recommended passage thereof.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 169, S.D. 1, and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 687 Consumer Protection and Commerce on S.B. No. 195

The purpose of this bill is to allow the director of the department of commerce and consumer affairs to employ, on contract, persons with specialized expertise in utility and transportation matters, who shall not be subject to civil service requirements.

Your Committee finds that because of the department's large scope of responsibilities, it is impossible for its personnel to become experts on every subject. By giving the department the authority to hire experts, it can better serve the consumers of utility services.

A nonsubstantive amendment has been made to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 195, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 688 Consumer Protection and Commerce on S.B. No. 904

The purpose of this bill was to establish fair dealership standards for dealers of office machines.

This bill adds a new chapter to the Hawaii Revised Statutes which establishes standards for the business relationship between suppliers of office machines and dealers.

Small businesses who sell and service office machines desire the addition of fair dealership regulations to the statutes in order to provide a legal base by which disputes between manufacturer-suppliers and dealers can be settled. Small dealers feel they are not being treated with fairness and equity since the suppliers can pull any line off the market without notice, and the dealers have no legal recourse.

Your Committee is concerned about the possibility of overly broad coverage of the bill and has amended it to clarify that it does not apply to "franchises" as the term is used in the Franchise Investment Law. Nonsubstantive amendments have also been made for clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 904, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 904, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 689 Consumer Protection and Commerce on S.B. No. 555

The purpose of this bill is to make the following changes in the various Department of Commerce and Consumer Affairs service fees: (1) increase the fee for an original certificate of compliance from \$1 to \$5, and additional copies from 25 cents to \$1; (2) establish a fee of \$15 for service of process upon corporations; (3) increase the fee for filing a certificate of registration of a print, label, or trademark from \$10 to \$25; (4) increase fees for legal processes and notices from \$5 to \$10; and (5) amend section 26-9(k), Hawaii Revised Statutes, to provide the Director of Commerce and Consumer Affairs with the authority to increase or decrease the fees by rules in accordance with chapter 91, Hawaii Revised Statutes.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs that there is a need to increase the fees to recover the cost of services rendered as many of its fees have not been changed since the services were first instituted. The Department estimates that the proposed fee increases would recover an additional \$185,000 for the State.

Your Committee also is in agreement with section 5 which amends section 26-9(k), Hawaii Revised Statutes, to provide the Director with authority to increase or decrease the fees by rules in accordance with chapter 91. Your Committee finds that the Department should be given the authority to adjust fees to maintain a reasonable relationship between the fees and the costs of services provided without the necessity of seeking recurring statutory changes.

Your Committee believes the additional service fees' revenue which will be generated by this bill should be utilized by the agency which provides the services rendered. Therefore, the bill has been amended to have the newly established fees and the portion of the new fees representing the increase over the old fees, placed in the Business Registration Division's special fund established by Act 244, SLH 1982.

The bill was also amended to reflect the name change of the Department of Regulatory Agencies to Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 555, S.D. 2, as amended herein, and recommends that it pass Second Reading in form attached hereto as S.B. No. 555, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 690 Consumer Protection and Commerce on S.B. No. 450

The purpose of this bill is to amend Section 514A-82(14), Hawaii Revised Statutes, to prohibit resident managers or managing agents from voting or casting proxies at any board meeting on any issue in which the manager or agent has a conflict of interest.

Testimony in favor of the bill was provided by the Hawaii Association of Realtors, the Hawaii Council of Associations of Apartment Owners, and a condominium owner.

Your Committee finds that currently the statutes only restrict members of the board of directors from voting or casting proxies if there is a conflict of interest. This bill would extend the prohibition to resident managers and managing agents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 450, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 691 Consumer Protection and Commerce on S.B. No. 186

The purpose of this bill is to strengthen the statutes relating to private investigators and guards by amending certain key definitions; providing uniform procedures and qualifications for licensing security services, officers and guards; and by requiring criminal and psychiatric checks on all license applicants.

Specific proposals, by Hawaii Revised Statutes section numbers are as follows:

Section 463-1 redefines "detective" or "investigator" as a licensee who is qualified to obtain confidential information. "Guard" would be redefined as a licensee responsible for safekeeping client properties, other persons, and for attendant observation and reporting in connection therewith. It also includes a definition of "detective or guard agency" as a corporation, partnership or association engaged in the private detective or guard business.

Section 463-5 raises the Board of Detectives and Guards licensing fee from \$25 to \$37.50 a year.

Section 463-6 and section 463-8 provide that applicants for private detective and guard licenses may not have been convicted of a crime and jailed within the past twenty years, and that employees of private detective or guard companies may not have been convicted or jailed within the past ten years.

Section 463-9, relating to the application form for licensing, has been amended by your Committee to provide (1) that the form contain the applicant's place of birth and information regarding an applicant's psychiatric history, if any; (2) that the Board investigate the applicant's background, character, etc. and request criminal records from competent jurisdictions; and (3) that the police shall be required to furnish criminal history records pertaining to license applicants.

There is also a "Provisions Severable" section which provides that a court's invalidation of any provision of chapter 463 does not disturb other provisions not affected thereby.

Testimony in favor of the bill was presented by the Board of Private Detectives and Guards, a private detective who is a member of the Board, and an attorney in private practice.

Your Committee has amended Sections 463-6 and 463-8, Hawaii Revised Statutes, to include the requirement that all detectives, guards, and employees of any detective or guard agency shall disclose whether they have received treatment for any psychiatric or psychological disorder, or whether such treatment has ever been recommended. This amendment reflects your Committee's and the industry's desire to correct present inadequacies regarding obtaining information from those who are employed as detectives, guards, and employees of any detective or guard agency.

Other nonsubstantive changes have been made for purposes of clarity and correcting typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 186, S.D 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 186, S.D. 1, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 692 Consumer Protection and Commerce on S.B. No. 810

The purpose of this bill is to provide that loan fees or "points" shall be fully earned on the date the loan is made by an industrial loan company, and shall not be subject to refund upon prepayment of the loan.

The current law which governs industrial loan companies is silent of the practice of loan fees and points, although all other major mortgage lenders such as banks, savings and loan associations, insurance companies and mortgage companies charge loan fees which are not refundable.

The Senate Committee received favorable testimony from various organizations including

the Hawaii Consumer Finance Association and the Department of Commerce and Consumer Affairs. This bill will allow the industrial loan companies to charge nonrefundable loan fees or points.

Your Committee heard the companion bill H.B. 404 and recommended passage thereof.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 810, S.D. 1, and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 693 Consumer Protection and Commerce on S.B. No. 1075

The purpose of this bill is to consolidate the requirement for public utility public hearings, and notices for these public hearings, into one section. These requirements are that: (1) reasonable notice in writing of such fact and of the subject or subjects to be investigated shall be made; (2) any notice shall plainly state rates, fares, charges, classifications, schedules, rules or practices proposed to be established, abandoned, modified, or departed from and the proposed effective date; (3) any public hearing shall be advertised and held on the island on which the utility is situated; and (4) all rates, fares, classifications, charges, and rules of every public utility shall be published by the public utility in such a manner as may be required by the commission.

Testimony by Hawaiian Telephone Company, Hawaiian Electric Company, Gasco, Inc. and the Public Utilities Commission recommended that language providing that ratemaking is a legislative function granted to the Public Utilities Commission to be carried out pursuant to rulemaking authority be deleted. The utilities also agreed that due process be afforded to all affected parties, not only those adversely affected by a contested case proceeding.

Your Committee has amended this bill to address the concerns expressed in the testimony. Other amendments have also been made to correct bill drafting style and typographical errors, and for clarity and consistency.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1075, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1075, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 694 Consumer Protection and Commerce on S.B. No. 1288

The purpose of this bill is to permit the Boxing Commission to take immediate, temporary, disciplinary action for violations of statutes or commission rules subject to the licensee's right to request a hearing in accordance with Chapter 91, Hawaii Revised Statutes.

Testimony in favor of the bill was provided by the Hawaii State Boxing Commission.

Your Committee finds that, at present, the Commission may not legally take any form of immediate disciplinary action, thus allowing a violator to continue his boxing activities until the results of a hearing are established. The time span involved in the hearing process precludes any meaningful, immediate, disciplinary action when it is most needed and appropriate.

This bill would allow the Boxing Commission to take immediate, temporary, disciplinary action for violations. Enactment of this measure would also permit immediate Commission action on obvious or technical violations such as being overweight; being late for weigh-ins or bouts; wearing improper trunks; and coaching from the corners. This would also be subject to a licensee's right to request a formal hearing on the violations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1288, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 695 Consumer Protection and Commerce on S.B. No. 556

The purpose of this bill is to extend the existence of a special fund relating to the expedited processing of documents filed with the Department of Commerce and Consumer Affairs.

Act 244, Session Laws of Hawaii 1982, established special handling fees for the expedited processing of documents filed with the Business Registration Division of the Department of Commerce and Consumer Affairs. These fees were to be paid into a special fund which was to be used to pay for two temporary business registration assistants to process documents. The fund is scheduled for repeal effective July 1, 1984.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs that because of various delays, the positions authorized to be funded by the special fund have not been filled and the positions are not expected to be filled until the end of April, 1983. This bill extends the existence of the special fund until July 1, 1985 in order that the anticipated hiring of the two business registration assistants can be accomplished.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 556, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 696 Consumer Protection and Commerce on S.B. No. 187

The purpose of this bill is (1) to eliminate issuance of temporary permits to non-residents to practice professional engineering, architecture, land surveying or landscape architecture in Hawaii; (2) to add landscape architects, which were inadvertently omitted in previous legislation, to the Board of Registration of Professional Engineers, Architects, and Surveyors; and (3) to provide that a person have a minimum of five years full-time experience in landscape architecture and a pre-landscape architecture or arts and science degree in order to be eligible for registration as a professional landscape architect. Present law requires at least three years experience and a degree or a minimum of twelve years full-time experience. The above provision would fill the gap between the three and twelve-year experience and the degree and non-degree requirements.

The Senate heard testimony by the Board of Registration of Professional Engineers, Architects and Surveyors which indicated that at present, the qualifications for obtaining a temporary permit are the same as for permanent registration, and 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. In addition, the temporary permit is \$50 as opposed to \$30 for permanent registration.

The Senate Committee found that non-resident applicants, for the above reasons, actually prefer to obtain permanent registration and further notes that the last temporary permit issued by the Board was in March, 1972.

Your Committee heard the companion bill H.B. 304 and recommended passage thereof.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 187, S.D. 1, and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 697 Consumer Protection and Commerce on S.B. No. 900

The purpose of this bill is to change the dates of the liquor tax exemption for okolehao and fruit wine sales from May 17, 1971 to June 30, 1981, to July 1, 1983 to June 30, 1984.

Testimony in favor of the bill was provided by the Hawaii Farm Bureau Federation, Hawaiian Distillers, and Aloha Liqueurs, Inc. Aloha Liqueurs requested that liqueurs be included in the bill.

Testimony against the bill was provided by the Department of Taxation which pointed out that okolehao has already enjoyed exemption from the liquor tax for 10 years.

While the Department of Taxation is not completely against the concept of giving assistance to any new manufacturing industry in Hawaii by way of tax exemptions or other tax incentives, it nevertheless appears that the period of exemption granted these manufacturers of products thus far has been more than adequate to allow such manufacturers to gain an economic footing in a new market in Hawaii. If the manufacturing operations are still marginal and are not producing the anticipated profits after enjoying the tax exemptions over the years, then it may be seriously questioned whether these products are in sufficient demand to create a viable market or whether a more aggressive sales and advertising program should be pursued by these manufacturers.

The purpose of providing a tax exemption is to encourage the development of an industry or enterprise within the State. The okolehao, fruit wine, and rum manufacturers maintain that the current twenty per cent tax levied on liquor is prohibitive toward the successful development of local products and that an extension of the tax exemption is needed.

Your Committee agrees that an extension of the liquor tax exemption is in order; however, it is the intent of your Committee that the extension be for only two years for fruit wine and rum. This represents a two year extension with regard to fruit wine, a reduction by one year with regard to rum, and a cessation of the exemption with regard to okolehao.

Your Committee feels that those manufacturers who have enjoyed liquor tax exemptions thus far have had adequate time to gain an economic foothold in this market in Hawaii. It therefore feels that, by 1985, such liquor tax exemptions should cease.

Your Committee has further amended the bill to require that the fruit wine and rum not only be manufactured, but also bottled, in Hawaii.

Your Committee has therefore made the following amendments:

- (1) The deletion of the tax exemption for okolehao;
- (2) The extension of the tax exemption for fruit wine from July 1, 1983 to June 30, 1985;
- (3) The extension of the tax exemption for rum from May 17, 1981 to June 30, 1985; and
- (4) The requirement that fruit wine and rum be manufactured and bottled in Hawaii.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 900, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 900, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 698 Consumer Protection and Commerce on S.B. No. 1337

The purpose of this bill is to clarify that Section 478-13, Hawaii Revised Statutes, was not intended to preempt the exemptions from the usury limitations set forth in section 478-8, Hawaii Revised Statutes. The bill also clarifies the exemption for securities regulated by Chapter 485, and eliminates the maximum legal rate of interest permitted for Chapter 485 securities in order to avoid possible conflict with constitutional provisions.

Testimony in favor of the bill was given by the Hawaii Consumer Finance Association.

Your Committee finds that this bill would tend to alleviate concerns within the financial community with respect to the application of the Hawaii law on exemptions from usury.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1337, S.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 699 Consumer Protection and Commerce on S.B. No. 438

The purpose of this bill is to establish minimum standards of conduct and responsibility for companies which deal in burglary and robbery alarms.

The Honolulu Police Department, which supports this bill, testified that it receives hundreds of false alarms which nonetheless must be investigated at the expense of valuable Department time and resources.

Your Committee finds that the solution to this problem lies in the statutory regulation of the alarm industry proposed in this bill, whereby alarm companies would have to demonstrate financial responsibility, keep records of alarm activities, and identify the products they install.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 438, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Tungpalan.

SCRep. 700 Housing on S.B. No. 965

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 amended the bill to expand the definition of "non-profit entity". The Committee believes that the definition should not be limited to the Internal Revenue Code section 501(c)(3) since other qualified non-profit entities attain their charitable status under other sections of the law. Citing one section may preclude other qualified organizations from the benefits of this section.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 965, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 965, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 701 Judiciary on S.B. No. 1092

The purpose of this bill is to require the attorney general to issue a "nondriver identification" card to any person requesting one. This card is in addition to the "civil identification" certificate presently issued by the attorney general.

Your Committee has heard testimonies from the Attorney General and one private citizen on the problems facing the blind and physically handicapped. Many retail stores and other businesses require two forms of identification before accepting a check from a customer. Most people present a driver's license and a credit card.

Your Committee finds, however, that there are a number of people in the State who do not have a driver's license and a credit card, such as the blind or physically handicapped. A nondriver identification, in conjunction with the identification certificates currently issued by the Identification Bureau would allow them a privilege that most people already

enjoy.

Your Committee recommends that the certificate to be issued, and the state civil identification card be dissimilar enough to provide the required two pieces of identification now required by many businesses, therefore not be identical to a driver's license so as not to create any confusion. Your Committee has amended the bill by eliminating the requirement that it be of the same size and design as a driver's license.

Your Committee further finds that there are similarities in objectives and overlapping responsibilities between the Bureau of Crime Statistics and Identification and the Hawaii Criminal Justice Data Center. Based upon the overlapping responsibilities of the two agencies, and pursuant to a recent study conducted by the Department of Budget and Finance, your Committee recommends that the Bureau of Crime Statistics and Civil Identification and the Hawaii Criminal Justice Data Center be consolidated.

Your Committee also finds that the Criminal Justice Data Center is primarily limited to providing criminal history records to Hawaii's criminal justice agencies. In order to provide system-wide criminal justice information, there is a need to expand the data center's role to include providing criminal justice information systems and the telecommunications network required to support access to information.

Your Committee has amended the bill by repealing Part III, Civil Identification; and Part IV, Crime Statistics, of Chapter 28, Hawaii Revised Statutes. In addition, Chapter 846, Criminal History Record Information, is retitled "Hawaii Criminal Justice Data Center," and is expanded to include most of the provisions of the repealed sections under Chapter 28. Specific references to "Criminal history record information" has been replaced by the terms "criminal justice data," so as not to further limit the data center's role. The proposal also seeks to amend the existing law by no longer requiring the Governor's approval to release information kept by the Identification Bureau, as your Committee believes that approval granted by the attorney general is sufficient.

Your Committee believes that the consolidation and the recommended amendments will effectuate improvements for both agencies, while at the same time causing a savings in state expenditures. By consolidating the two agencies, there will be a reduction in administrative expenses.

For purposes of consistency, your Committee has also amended the bill by renumbering the sections under Chapter 846, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1092, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1092, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 702 Human Services and Transportation on S.B. No. 1283

The purpose of this bill is to establish a standardized statewide parking system for the issuance and enforcement of parking permits for disabled persons.

Presently, there are inconsistencies in the administration and enforcement of the parking permits which allow handicapped drivers to park in specifically designated stalls. Since parking areas come under the jurisdiction of several agencies, a disabled person must apply to several agencies, with varying standards, to obtain the required permits.

Your Committees agree that the provisions of this bill would address this problem by standardizing the format of the parking permits statewide.

Your Committees have amended the bill to add a definition and accompanying provisions for the issuance of identification cards. This will allow for more effective enforcement of the parking permits issued to disabled persons. Your Committees have also amended the definitions of "disabled person" and "director".

Your Committees have amended the bill to include a provision which would allow persons who currently hold disabled parking permits to automatically receive new permits under the proposed law. The purpose of this amendment is to avoid expense and inconvenience to existing disabled permit holders by requiring them to present a certificate of disability since they were previously required to obtain a similar physician statement prior to the issuance of their current permit.

Your Committees have also amended the section entitled "review" by retitling that section as "appeal", and requiring the medical advisory board to determine whether an applicant qualifies as a disabled person in cases where the accuracy of the certification is in question.

Your Committees have amended the proposed section under Chapter 291C, entitled "parking in a space designated for disabled persons", by adding a subsection (b), stating:

"No person shall use a permanent distinguishing placard upon a vehicle for parking purposes unless the person is disabled or is the driver of a vehicle in which a disabled person is a passenger."

Also under Chapter 291C, your Committees have amended the section on "enforcement" to authorize law enforcement officers to enforce provisions of any rules prescribed by the director of finance. Further, officers would be authorized to seize certificates or parking permits in certain cases.

Your Committees have made technical, non-substantial amendments.

Your Committees on Human Services and Transportation are in accord with the intent and purpose of S.B. No. 1283, S.D. 1, as amended herein and recommend that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as S.B. No. 1283, S.D. 1, H.D. 1.

Signed by all members of the Committees Honda, Nakasato, Tom and Medeiros.

SCRep. 703 Consumer Protection and Commerce on S.B. No. 55

The purpose of this bill is to replace existing state statutes which regulate the operation of profit corporations with an amended version of the Model Business Corporation Act ("Model Act").

Your Committee notes that various provisions of the Model Act have in the past been used as a basis for the revision of certain provisions of Hawaii corporation law. Your Committee also notes that over twenty states have adopted the basic form and substance of the Model Act.

Your Committee finds that the enactment of this bill will provide corporations and corporate practitioners with the advantage of the drafters' comments and stated intent, and an established body of judicial interpretation collected from jurisdictions that have adopted the Model Act.

This bill amends present Hawaii law extensively in numerous areas and adds provisions in areas where present law is silent. Some of the substantive areas amended are:

- (1) The defense of ultra vires is abolished except in certain limited situations.
- (2) Clarification of the procedure for subscription for shares and stock rights and options are added.
- (3) Clarification with respect to the election, boards, removal, quorum, and conflicts of directors is added.
- (4) Codification of current rules and common law regarding shareholder derivative suits.
- (5) Provisions for inspection by shareholders of the books and records of a corporation.
- (6) New procedures for reorganization of corporations are established.
- (7) General amendments are made to merger, consolidation and share exchange procedures and requirements.
- (8) Clarification in dissenting shareholders' rights, including procedures to be followed and valuation of shares.
- (9) New procedures for voluntary dissolution of corporations are established.

(10) Provisions dealing with foreign corporations have been amended generally, including filing requirements, documentation and procedures.

(11) New provisions authorizing the Director of Commerce and Consumer Affairs to inquire of corporations concerning compliance with corporate statutory requirements.

(12) Appeal rights to the circuit courts from a decision of the director have been added.

Your Committee has amended the bill to provide for fuller disclosure of addresses of the corporation and its directors and incorporators in the corporation's articles and annual exhibits. Requirements for certain information with respect to subscription of shares, consideration paid for shares, and about subscribers is also added.

Your Committee has also amended the bill to make consistent shareholders voting requirements for approval of amendments to articles, mergers and consolidations, sale of assets other than in the regular course of business, and voluntary dissolutions. Corporations that are incorporated on or after the effective date of this Act will be allowed to set their own approval requirements for the above actions at a level between a majority of shares eligible to vote and the level prescribed by current Hawaii law.

Your Committee has also made non-substantive corrections to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 55, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Taniguchi, Tom, Tungpalan and Medeiros.

SCRep. 704 Judiciary on S.B. No. 313

The purpose of this bill is to require all candidates to comply with the campaign spending limits, to allow all candidates to apply for public campaign funds, and to reduce the number of reports necessary to be filed by the candidates.

Your Committee has received testimonies from the Campaign Spending Commission, Common Cause of Hawaii and the League of Women Voters who expressed concerns about the campaign spending laws.

Your Committee finds that, although there have been questions raised by the U.S. Supreme Court ruling that mandatory spending limits for candidates are an unconstitutional violation of the right to free expression, our State Constitution, however, calls for campaign limits in non-federal elections and these limits must be maintained. The Committee also feels that disclosure of financial resources and expenditures is one of the most effective means the public has to measure a candidate before election to office.

Accordingly, your Committee has made amendments to the Senate bill as follows:

1. Amended the definition of "advertisement" by substituting a person or committee, rather than on behalf of a candidate or a committee, which has the effect of requiring a disclaimer by each person who pays for a political advertisement;
2. Added to the definition of "candidate" a person who expends more than \$100.00;
3. Amended the definition of "committee" to include any committee which makes contributions or expenditures in the aggregate amount of more than \$1,000 per election and required that a committee shall register with the campaign spending commission;
4. Added a new definition of "fund raiser" which means any function for the benefit of a person which is designed to raise funds for political purposes for which there is a price for attending or participating in the function or any activity where the sole purpose of the activity is to raise funds;
5. Required that all reports be preserved for two years from the date of receipt rather than five years to conform with the commission's statute of limitation;
6. Required the filing of an organizational report for a committee after receiving

any contribution or making any expenditures of more than \$100;

7. Deleted the requirement to report occupation of a contributor because occupations are usually reported in general categories;
8. Allowed the transfer of funds for the office of governor or lieutenant governor in the general election;
9. Allowed a candidate exemptions from the expenditure limit those expenditures incidental to a function where the sole purpose is to raise funds;
10. Deleted the section pertaining to voluntary campaign expenditure limitation;
11. Set a limit as to amounts in campaign expenditures based upon the last census and allowed an additional ten per cent increase added to the base amounts compounded annually;
12. Allowed the filing of a short form report for a candidate, party, or committee whose expenditures or contributions for the reporting period is less than \$500;
13. Required the filing of supplemental reports in the event of a deficit or surplus;
14. Raised the amounts of qualifying campaign contributions for the office of mayor in a county having less than 100,000 of registered voters and for all other offices not listed in the section to \$4,000 and \$1,000 respectively;
15. Raised the maximum amount of public funds to \$100 during an election year in either the primary or general election for the office of state senator, state representative, county council member, prosecuting attorney, board of education, and all other offices;
16. Added "special election" to pertinent sections for statutory revision;
17. Required that any candidate who exceeds the spending limit shall return all of the public campaign funds the candidate has received;
18. Required public fund reports consistent with disclosure reports;
19. Allowed the commission three months instead of sixty days to audit public funds received by the candidate, campaign contributions and campaign expenses.
20. Provide a tax deduction for all those who contribute in an aggregate amount not to exceed \$500 in any year;

The Committee also intends that the post-primary report and pre-general report be combined into one report.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 313, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 313, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Taniguchi, Tom and Medeiros.

SCRep. 705 Judiciary on S.B. No. 1199

The purpose of this bill is to specify that the State shall be liable to any party sustaining property damage or personal injury as a result of acts by a person performing community service as ordered by the court.

Your Committee has received testimony from the Judiciary and the Attorney General in support of the bill. We find that with the increased number of persons performing community service, there is an increased concern pertaining to liability of the state for acts occurring in the course of such community service, the charitable organizations and community groups service, and the public generally.

Your Committee has amended the bill by reinstating the language in the existing law which provides that the criminal defendants are not employees of either the charitable organizations and community groups involved or the State. Accordingly, your Committee has also deleted Section 2 of the bill.

Your Committee does intend to provide immunity from civil damages to those charitable organizations or community groups which participate in the alternative community service program. Your Committee, however, does not intend to provide the same immunity to the governmental agencies which participate. Your Committee feels that liability for governmental agencies shall remain according to the general tort principles made applicable to such agencies through the State Tort Liability Act. Your Committee has, therefore, amended the language of the proposed section 706-605(f).

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1199, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1199, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Taniguchi, Tom and Medeiros.

SCRep. 706 Higher Education and the Arts on S.B. No. 1258 (Majority)

The purpose of this bill is to implement the 1978 amendment to the State Constitution which delegates to the Board of Regents exclusive jurisdiction over the internal organization and management of the University of Hawaii.

This bill amends Section 26-11 of the Hawaii Revised Statutes, by establishing a more meaningful definition of the phrase, "exclusive jurisdiction over the internal organization and management of the University." The wording and intent of the new language is substantially similar to that which is found in Standing Committee Report No. 39, Committee on Education, 1978 Constitutional Convention:

"Among examples of matters which would fall under the exclusive purview of the Board of Regents, under the proposed amendment, would be the authority to establish or abolish an administrative or program unit, to establish or abolish subordinate offices or positions and to transfer officers and employees between positions, subject only to the limitations of available appropriations and the provisions of such laws of general application as the civil service and collective bargaining laws."

It is the intent of your Committee that this bill effect no changes to the authority or review capabilities of the Legislature. The University shall continue to be bound by legislation and the appropriations enacted by the Legislature, bound by any general laws affecting State agencies, and would continue to be accountable to the Legislature as the primary law making body of the State. The net effect of the amendment proposed in this bill is to free the University from submitting proposals for organizational and personnel changes to other State departments such as the Department of Budget and Finance and the Department of Personnel Services for review, and to the Governor for subsequent approval. The provisions of this bill will allow the University to conduct such changes internally with the Board of Regents having sole and ultimate authority, responsibility, and accountability in this area.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 1258, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 707 Higher Education and the Arts on S.B. No. 1089

The purpose of this bill is to establish a nonprofit corporation, the "Hawaiian Islands Aquarium Corporation", to operate and maintain the Waikiki Aquarium and marine-related research and educational programs. The transfer of control of the aquarium from the University of Hawaii to this corporation is necessary for the expansion and development of the aquarium into an independent, self-sufficient recreational and educational institution.

As a result of the discussion, your Committee hereby directs that present management of the aquarium and the new corporation, the "Hawaiian Islands Aquarium Corporation", continue to consult with the Department of Parks and Recreation, City and County of Honolulu, and other concerned organizations and governmental agencies, and that this dialogue address the following problems:

- (1) Competition for park space and use of Kapiolani Park;

- (2) Expansion of the aquarium at the present site;
- (3) Encroachment into park area from extended access by pedestrians and vehicles;
- (4) Height limitations imposed by the Diamond Head Ordinance.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 1089, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 708 Water, Land Use, Development and Hawaiian Affairs and State General
Planning on S.B. No. 1082

The purpose of this bill is to amend the land use law to provide the counties with the power to approve or disapprove petitions for land use district boundary changes which do not involve significant statewide interests and concerns.

This bill has been introduced to implement one of the recommendations made in the report entitled State Land Use Management Study by Daly and Associates, Inc. This study examines the relationship between the Hawaii state plan and the present land use management system and recommends comprehensive and integrated changes to management and regulatory procedures. Your Committees have reviewed the study in detail, and is of the opinion that the proposal in the bill, as received, cannot be enacted alone, but must be supported with prior implementation of other recommendations.

Among the major recommendations made by the Daly study are the following:

- (1) There is a need for a clear definition of the State's role in land use management.
- (2) There is a need to establish a stronger link between state land use regulations and state planning processes.
- (3) There is a need for a clear and cohesive expression of the State's intentions in land use management to serve as a coordinating mechanism for state agencies and as a guide for integrating state functional plans.
- (4) There is a need to clarify the statutory mandate as to the roles and responsibilities of the Land Use Commission.
- (5) More specific policy guidance is needed for the LUC to function as a policy implementing body and to improve consistency and quality of decisions.
- (6) The perspective of a state regulatory body such as the LUC should be regional, cumulative, and long-term. State functions should focus on interests of a statewide nature.
- (7) The State's regulatory responsibilities should be oriented toward the protection of statewide interests. Where such interest is not present, a larger role for the counties would be appropriate.
- (8) There is a need for a process to clearly identify the State's interest in land use.
- (9) Instead of eliminating regulatory functions, the State should focus on improving the coordination among the various participants in the regulatory process.

The proposal in the bill, as received, addresses only recommendation (7). Your Committees, however, feel that implementation of this recommendation is premature at this time for two significant reasons: no one has defined "statewide interests and concerns" sufficiently; and change of the State's land use management system should be addressed in a comprehensive and coordinated manner, as recommended by the Daly study.

Without a workable definition of "statewide interests and concerns", the proposal in this bill, as received, will not have any realistic effect and, in fact, may prove to confuse the present land use regulatory procedures. The LUC, under the bill, as received, would be required to define the phrase. This mandate runs counter to the Daly study's recommendation that the LUC should be given more specific policy guidance. The bill,

as received, would give no policy guidance and would abrogate an important prerogative of the Legislature to the LUC.

Thus, it is imperative that the Legislature address the issue of the lack of policy first. The legislature has enacted the Hawaii state plan which contains overall themes, goals, objectives, and priority directions for state action.

Although the Daly study indicates that the Hawaii state plan could have better provisions regarding land use management, the issue of improving the system should begin with the Hawaii state plan. The Hawaii state plan currently requires land use decision-making processes to conform to the overall theme, goals, objectives, policies, and priority directions and the implementing actions of the state functional plans. Your Committees feel that effectuating this mandate is the most preliminary step for comprehensive and coordinated change of the land use management system.

Thus, your Committee has amended the bill by deleting the contents and inserting a provision requiring the Land Use Commission to adopt rules to conform its decision-making processes to the Hawaii state plan. Your Committees feel that the rules will provide a solid base for the land use management system upon which further change can be built with assurance.

Your Committees emphasize the desire for further change as recommended in the Daly study. In this regard, your Committees express its support for the proposal in the bill, as received. The counties should have the power to make decisions on matters which are not of statewide interests and concerns. When such interests and concerns are delineated by the Legislature in consultation with concerned state and county governments, then your Committees intend to act far more favorably on this matter.

The Department of Planning and Economic Development is conducting a review of the entire land use management system of the State, of which the Land Use Commission is only a part. The findings of this review will allow the Legislature to take the necessary actions to reform the system in a manner consistent with the Hawaii state plan and responsibilities of all state agencies.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of S.B. No. 1082, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tom.

SCRep. 709 Consumer Protection and Commerce on S.B. No. 775

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. This bill is similar in intent and purpose to H.B. No. 915 and the testimony recommended that this bill be amended to conform to H.B. No. 915. Your Committee has amended this bill in accordance with such testimony.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 775, S.D. 1, and recommends that it pass Second Reading

in the form attached hereto as S.B. No. 775, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Taniguchi, Tom, Tungpalan and Medeiros.

SCRep. 710 Consumer Protection and Commerce on S.B. No. 18

The purpose of this bill is to provide that the court may appoint a receiver upon initiation by the director of the Office of Consumer Protection of an action for unfair or deceptive acts or practices. The Office of Consumer Protection testified in support of this bill indicating that it will codify what is now permitted by case law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 18, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Taniguchi, Tom, Tungpalan and Medeiros.

SCRep. 711 Consumer Protection and Commerce on S.B. No. 13

The purpose of this bill is to require the Insurance Commissioner annually to publish in a generally circulated newspaper a list of all noncommercial property insurers and their annual premium rates for homeowners insurance policies.

Your Committee supports the concept of publishing a comparison of homeowners insurance rates for public use. It is noted that in the past, a buyers' guide listing the rates for all licensed insurers in the area of homeowners insurance has been published. In addition to rates, the guide provides other appropriate information designed to assist consumers in purchasing a policy.

Your Committee feels that if the substance of this guide is included in a newspaper release of homeowners insurance rates, the consumer would be well-served. To carry out this publication, your Committee has amended this bill to include a \$6,000 appropriation for the 1983-1984 fiscal year.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 13, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 13, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Taniguchi, Tom, Tungpalan and Medeiros.

SCRep. 712 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 1351

The purpose of this bill is to amend Chapter 6E-7, Hawaii Revised Statutes, in order to allow the State of Hawaii to lease historic properties.

Under present law the Department of Land and Natural Resources has stewardship responsibility in preserving the State's significant historic properties. According to the Department's testimony, the bill would provide for greater flexibility in its efforts to encourage private sector investors, including non-profit organizations, to restore and maintain historic properties under the Department's stewardship. Such restoration, management, and maintenance practices would be authorized through lease arrangements.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1351, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 713 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 1061

The purpose of this bill is to amend Chapter 237, Hawaii Revised Statutes, to exempt manufacturers of electronic products, advanced communication devices, specialty instruments

and sensors, biotechnology products, and other such similar technology products from the general excise tax, if such products are manufactured in Hawaii and shipped or sold for delivery outside the State.

Your Committee finds that the intent of the bill is just one of the State's efforts to attract high technology industries to Hawaii. Relief from the impost of the general excise tax would be an incentive in reducing the cost of high technology products when sold out of the State. However, two related issues arise. First, it is imperative for the State to direct greater concern in creating an overall business climate attractive to high technology industries, and not in addressing this concern on a piecemeal basis. Second, if such exemption is granted on overseas sales of Hawaii-manufactured electronic equipment, a precedent may be set for all manufacturers of goods for out-of-state sales, notwithstanding the kinds of goods produced.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1061, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 714 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 905

The purpose of this bill is to establish a Hawaii Product Development Corporation (HPDC), within the Department of Planning and Economic Development for administrative purposes, and empower the HPDC to enter into venture-financing agreements with local businesses for the development of specific products, procedures, and techniques to be developed or produced in Hawaii.

According to testimony, a shortage of venture capital for manufacturing and processing exists in Hawaii. All the same, the proposed HPDC would be able to participate in the development of new products via royalty agreements only. It would be unable to engage in venture-financing agreements for business start-ups and expansions. Although your Committee is in agreement that the proposed HPDC may be of some economic benefit, there are still many questions and issues to be resolved. For example, the bill fails to address the question of whether financial participation by the HPDC should be based on royalty agreements only, on the purchase of common stock and debentures of a corporation, or both.

Your Committee is of the opinion that the Legislature needs additional information on venture analysis and business financing in order to assess alternative approaches to venture capital development in Hawaii. Therefore, your Committee has amended the bill by deleting all new sections, § -7 through § -17, on pages 5-15, while retaining the initial establishment of the Corporation. This would allow further consideration by your Committee on Finance.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 905, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 905, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 715 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 1062

The purpose of this bill is to provide for the development of high technology enterprises in Hawaii in order to demonstrate Hawaii's commitment to these enterprises:

- (1) By creating a high technology development corporation, within the Department of Planning and Economic Development for administrative purposes, pursuant to Section 26-35, Hawaii Revised Statutes, which would have the authority to develop industrial parks for the location of high technology enterprises and to assist in the construction of facilities for such enterprises through the issuance of special purpose revenue bonds, and which would have a governing board composed of public officials and members of the general public who have proven expertise in fields that can assist in the development of high technology enterprise in Hawaii; and

- (2) By establishing a Pacific International Center for High Technology Research, attached to the University of Hawaii, as provided for in Section 26-35, which would assist the corporation in its efforts, provide support for the high technology industry in the State, and offer scientists, engineers, and technicians an opportunity to share their knowledge of and expertise in high technology.

According to testimony by the Department of Planning and Economic Development, high technology development in Hawaii would diversify the State's economy, create new jobs, and increase revenues. Although your Committee is in agreement with the intent of this bill, it also views the proposals and plans by the Department as somewhat sketchy and less than definitive. Your Committee is of the opinion that commitment to high technology development by the State requires not only permission through legislative approval but also direction through executive programming and planning. For example, the Governor's Office and the Department of Education need to know the specific goals, objectives, and instructional activities which Hawaii's students will require in order to be able to enter high technology industries. Your Committee is of the opinion that training programs to be sponsored by high technology industries would not be sufficient in preparing youth to assume jobs in the industries, nor adequate in re-training those in industries which seem to be declining, such as the sugar and pineapple industries.

Your Committee received testimony calling for particular amendments to this bill. First of all, the University of Hawaii has present plans for the proposed Center to become a non-profit corporation formed in association with the University and with participation from other universities, businesses, and nations. Your Committee is in agreement with this idea and recommends the following amendment to the bill, page 36, lines 20-22: inserting the phrase "but the center may later incorporate as a non-profit corporation if this proves desirable to further its objectives", after "as provided for in section 26-35".

Secondly, your Committee is of the opinion that some start-up funding would be necessary in order to implement planning and initial establishment of the Center at the University of Hawaii. Your Committee recommends that \$100,000 be appropriated.

Thirdly, one of the responsibilities of the proposed high technology development corporation would be to engage in research and development projects. However, some federal agencies and private foundations require that State and county agencies who receive funds for these projects provide "matching funds" of the total costs. Your Committee is of the opinion that the said corporation would have to be provided with satisfactory mechanism to provide State matching funds, in a timely manner, for selected research and development projects. Your Committee therefore recommends that another section be inserted into this bill, preceding the new section, Sec. -15 entitled "Exemption of development corporation from taxation and competitive bidding", on page 34 of the bill.

Fourthly, your Committee is of the opinion that a distinction should be made between an "industrial park" and a "research and development park", although both types of parks are involved in high technology development. In general, an "industrial park" includes activities of manufacturing, processing, and warehousing, all of which are intensive in land use and needful of a location near semi-skilled labor, transportation and shipping, and other services. A "research and Development park" includes activities of research, training, technical analyses, and software development and excludes the production of items for the marketplace, all of which may need a rural and campus-like setting. Your Committee has therefore amended the Senate draft by including a definition of "research and development park", on page 6 of the bill, and by deleting specific references to "industrial park", throughout the bill.

Fifthly, your Committee is of the opinion that the governing body of the development corporation should have thirteen, not nine, members of whom:

- (1) Eleven, not seven, should be appointed by the Governor;
- (2) Ten of the eleven, not six of the seven, should be from the general public; and
- (3) Four of the eleven should be private individuals, one from each county and engaged in qualified economic development activity.

These amendments have been made to the bill, on pages 8-9 in the new section, Sec. -2 entitled "High technology development corporation; established".

Sixthly, your Committee is in agreement that one of the powers of the development corporation should be the empowerment to enter into arrangements with qualified county development entities whereby the corporation board would provide financial support to qualified projects proposed. Such agreement has been made as an amendment by including the said power on page 16 of the bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1062, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1062, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 716 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 614

The purpose of this bill is to include the Office of Hawaiian Affairs' proposed general fund appropriation for the operation of the Office in the Governor's financial plan of expenditures and appropriations for the State which is submitted to the Legislature prior to each legislative session.

Your Committee is in agreement that the bill would allow the Legislature to remain more informed of the Office's budget request prior to the legislative session.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 614 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 717 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 119

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 S.B. No. 119, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 718 Water, Land Use, Development and Hawaiian Affairs and Ocean and Marine Resources on S.B. No. 656

The purpose of this bill is to consolidate, reorganize, and clarify sections of the Hawaii Revised Statutes into new chapters relating to the Department of Land and Natural Resources. More specifically, the bill calls for the following actions:

- (1) To consolidate, reorganize, and clarify sections of Chapters 183, 187, 191, and 192, Hawaii Revised Statutes, relating to wildlife, by creating a new Chapter 183D to be entitled "Wildlife";
- (2) To consolidate provisions relating to aquatic life in Chapter 187 into a new chapter 187A to be entitled "Aquatic Resources";
- (3) To combine provisions of these foregoing Chapters which are common to both aquatic resources and wildlife into a new Chapter 197; and
- (4) To repeal Chapters 187, 191, and 192.

In addition, the bill would clarify the Department of Land and Natural Resources' legal authority over the "aquaculture development program", specified in the new Section 187A-7, and authority to hire temporary staff exempt from the provisions of Chapters 76-77.

This bill is an administrative measure to establish the program and organizational changes that have been made administratively within the Department of Land and Natural Resources. However, according to testimony by the Department, additional amendments should be made. Your Committees are in agreement that the following recommended amendments be made to S.B. No. 656, S.D. 1:

- (1) That the sentence "The three departmental designees shall be ex-officio non-voting members", beginning on page 36, line 23, and ending on page 37, line 1, be deleted;
- (2) That the word "shall" on page 37, line 5, be deleted and replaced by the word "may"; and
- (3) That the word "introduced" be added after the phrase "wildlife is" on page 39, line 22.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Ocean and Marine Resources are in accord with the intent and purpose of S.B. No. 656, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 656, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 719 Water, Land Use, Development and Hawaiian Affairs and State General
Planning on S.B. No. 907

The purpose of this bill is to allow the Land Use Commission to charge a reasonable fee for the filing of petitions, and to provide a penalty for parties who fail to appear at hearings.

Your Committees find that providing for fees and penalties will help defray the operating costs and encourage the attendance of petitioners to hearings before the Land Use Commission.

Your Committees have received testimony from the Land Use Commission in support of this bill.

Your Committees on Water, Land Use, Development, and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of S.B. No. 907 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 720 Water, Land Use, Development and Hawaiian Affairs and State General
Planning on S.B. No. 1008

The purpose of this bill, as received by your Committees, is to abolish the Commission on the Year 2000.

Your Committees find that the Commission was established in 1970 to study the changes and effects on the State generated by scientific and technological activity. Since July 1, 1981, the Commission has been inactive because no State funds were appropriated for its operations.

Your Committees find that although fiscal pressures have precluded funding of the Commission, there remains a need for an independent state agency whose mission is to assist the State in meeting the changes and challenges posed by scientific and technological activity. In view of the State's increasing interest and involvement in high technology research and industrial enterprises, your Committees believe the functions of the Commission will become even more valuable in the years ahead.

Your Committees have therefore amended this bill in its entirety by retaining Chapter 221, Hawaii Revised Statutes, and amending section 221-1 to locate the Commission within the University of Hawaii for administrative purposes. Your Committees believe that locating the Commission within the University would highly complement the growing scientific and technological research at the University and facilitate the study of social and economic impacts resulting from the findings obtained in related areas.

Your Committees on Water, Land Use, Development, and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of S.B. No. 1008, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1008. H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tom.

SCRep. 721 Water, Land Use, Development and Hawaiian Affairs and Judiciary
on S.B. No. 362 (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.

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 on Water, Land Use, Development and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of S.B. No. 362, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Lardizabal and Tom.
(Representative Hashimoto did not concur.)

SCRep. 722 Water, Land Use, Development and Hawaiian Affairs and Energy,
Ecology and Environmental Protection on S.B. No. 1085

The purpose of this bill is to authorize the Board of Land and Natural Resources to set royalties from geothermal production at a rate that would encourage the development of the resource and assure continuance of production by waiving the royalty payments to the State for any fixed period of time not exceeding ten years, if it were deemed necessary by the Board.

According to testimony, royalties could play an important role in covering infrastructure costs in the counties where geothermal production occurs and could also be used for environmental monitoring or for establishing buffer zones around geothermal power plants and wellfields. However, this bill would enable the Board to share in the risk of developing geothermal resources. Moreover, the bill has the force of law which S.R. No. 24, which covered the same concept as the bill and which was adopted during the 1980 Legislature, did not have.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Energy, Ecology and Environmental Protection are in accord with the intent and purpose of S.B. No. 1085, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 723 Water, Land Use, Development and Hawaiian Affairs and Energy,
Ecology and Environmental Protection on S.B. No. 903 (Majority)

The purpose of this bill is to allow conservation district lands and forest and reserve zones to be used for geothermal energy production. In addition, the bill would allow the initial explorer to be awarded the mining lease, even if he is not the highest bidder, if his bid plus his exploration costs are reasonably equivalent or reasonably comparable to the highest bid at public auction.

Your Committees heard testimony from the Departments of Planning and Economic Development and of Land and Natural Resources. Testimony was also received from members of the geothermal industry, environmental protection groups, and the general public.

In their review of this matter, your Committees believe that the more prudent approach

to permitting geothermal production on private and State lands is for the State to designate appropriate geothermal areas. Under this approach, the State would not only identify areas of high geothermal potential but also identify areas of the lowest overall environmental impact.

This approach would require the Board of Land and Natural Resources to systematically review all potential geothermal resource areas for their geothermal potential as well as the possible effects on the surrounding environment.

Moreover, your Committees find that any ranking system of geothermal resource areas as high, medium, or low in terms of their potential for the production and the utilization of geothermal energy is almost impossible. According to the proposed ranking system, an appropriate geothermal resource area (AGRA) could not be developed, or initially drilled, until it has been designated an AGRA. At the same time, without drilling, there is in all likelihood no way to determine whether an area is an AGRA or not.

Your Committees have reviewed various recommendations to amend the bill and are in agreement that the following considerations be incorporated into the bill:

- (1) That the Board of Land and Natural Resources be authorized to assess the appropriateness of an area as an AGRA and to establish it as a "geothermal resource subzone" in any land use district, whether it be conservation, agricultural, or any other designation;
- (2) That there is no need for the involvement of the Land Use Commission in the process of designating an AGRA as a geothermal resource subzone; and
- (3) That the role of the Board of Land and Natural Resources in its designation of AGRAs be conceptually a statewide concern, which at the same time does not detract from the needs of the various counties; and that the methods for assessing potential geothermal resource subzones by the Board include review based on currently available public information and conducted, in part, as at least one public hearing in each area of a county wherein an AGRA is being considered for designation as a geothermal resource subzone.

Your Committees have therefore amended the bill in order to include the recommendations above. A new Section 3 of the bill has been drafted.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Energy, Ecology and Environmental Protection are in accord with the intent and purpose of S.B. No. 903, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 903, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Hee and Nakata did not concur.)

SCRep. 724 Higher Education and the Arts on S.B. No. 1254

The purpose of this bill is to amend Section 305E-1, Hawaii Revised Statutes, by expanding the scope of the University's college-credit equivalency program to include those students who have successfully completed a military training program. This bill also allows college credits to be awarded to students for work or other experiences at the discretion of the University, provided students meet the qualifications in Section 305E-1.

Your Committee has decided to expand upon the purpose and intent of this bill by incorporating two additional amendments to the Hawaii Revised Statutes.

Your Committee has amended this bill by amending Section 304-14.6, Hawaii Revised Statutes, repealing the sunset provision 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 show 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 permanent rather than temporary.

Your Committee has also amended this bill by amending Section 304-4, Hawaii Revised Statutes, repealing nonresident tuition waivers by reciprocity.

Your Committee finds that under the present reciprocity agreement, there are more nonresident students traveling to Hawaii to attend the University of Hawaii than there are Hawaii residents traveling abroad to attend the various participating universities. For this reason the committee supports the repeal of the nonresident tuition waivers by reciprocity, but agrees that the Board of Regents continue to have the authority to enter into reciprocity agreements.

This bill has been further amended by renumbering existing sections for the purpose of consistency.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 1254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1254, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 725 Public Employment and Government Operations on S.B. No. 115

The purpose of this bill is to repeal the State's current unclaimed property law codified in the Hawaii Revised Statutes as Chapter 523 and to enact a revised Uniform Unclaimed Property Act in the form recommended by the National Conference of Commissioners on Uniform State Laws.

Under present law, Chapter 523, HRS, is based on the Uniform Unclaimed Property Act adopted by the National Conference of Commissioners on Uniform State Laws in 1954 and revised in 1966. However, as a result of the U.S. Supreme Court decision (579 U.S. 670 1965) which provided that unclaimed intangible property is payable to the state of last known address of the owner, the Commissioners further recommended changes in the Uniform Unclaimed Property Act of 1981. The Supreme Court's decision resolved the problems of conflicting claims by states to property presumed abandoned in other states.

The significant changes to the current uniform unclaimed property law as contained in this bill include: reducing the period within which property may be presumed abandoned from 7 years to 5 years; limiting assessment of charges against inactive or dormant accounts; including underlying securities of unclaimed dividend interest checks as unclaimed property; providing for the filing of negative reports as may be required by the Director of Finance; establishing a retention period for records of unclaimed property.

According to testimony, it is appropriate for the State of Hawaii to conform its statutes to maintain uniformity in its unclaimed property laws with those of other states.

Every owner of unclaimed property should be made aware of any existing laws relating to unclaimed property before the property is turned over to the State's custody.

Your Committee is in agreement to amend this bill to require every holder to maintain a record of the name and last known address of the owner for five years instead of ten years after the property becomes reportable. Your Committee believes that maintaining a record of the owner for ten years would place an unnecessary burden, and cost, on the holder.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of S.B. No. 115, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 115, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hayes, Honda, Nakasato, Tungpalan and Yoshimura.