

SCRep. 720-86 Consumer Protection and Commerce and Employment
 Opportunities and Labor Relations on H.R. No. 12

The purpose of this resolution is to request the Legislative Reference Bureau to study the concept of 24-hour insurance coverage as applied to Hawaii's employee benefit program laws and make recommendations on how best to apply this concept to Hawaii.

Your Committees find that prepaid health care, the services of health maintenance organizations, temporary disability insurance, workers' compensation, and unemployment insurance are benefit programs that should complement one another. The concept of 24-hour insurance coverage should be studied in order to avoid duplicate coverage, increase efficiency and cost effectiveness.

Your Committees on Consumer Protection and Commerce and Employment Opportunities and Labor Relations concur with the intent and purpose of H.R. No. 12 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 721-86 Consumer Protection and Commerce and Employment
 Opportunities and Labor Relations on H.C.R. No. 11

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the concept of 24-hour insurance coverage as applied to Hawaii's employee benefit program laws and make recommendations on how best to apply this concept to Hawaii.

Your Committees find that prepaid health care, the services of health maintenance organizations, temporary disability insurance, workers' compensation, and unemployment insurance are benefit programs that should complement one another. The concept of 24-hour insurance coverage should be studied in order to avoid duplicate coverage, increase efficiency and cost effectiveness.

Your Committees on Consumer Protection and Commerce and Employment Opportunities and Labor Relations concur with the intent and purpose of H.C.R. No. 11 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 722-86 Education on H.C.R. No. 2

The purpose of this concurrent resolution is to encourage the Board of Education to require the study of a foreign language for intermediate and high school students.

Your Committee heard testimony from the Board of Education (BOE) in support of this concurrent resolution. The BOE recognizes that our world is becoming a global community and there is a critical need to bolster foreign language education for Hawaii's students if Hawaii is to play a role as the crossroads of the Pacific. The BOE also has taken under advisement the recommendations made by the Governor's Advisory Council on Foreign Language and International Studies.

The BOE also testified that before we require foreign language study in all intermediate and high schools, we should look at all its ramifications. The more requirements for graduation, the fewer elective choices there are for individual students who have differing interests, educational and career goals, and capabilities. Your Committee also heard other testimony in support of this concurrent resolution.

Your Committee has amended the title of this concurrent resolution to read: "ENCOURAGING THE DEPARTMENT OF EDUCATION TO PROVIDE FOR FOREIGN LANGUAGE STUDY IN THE SCHOOLS". Your Committee has also amended the concurrent resolution to specify that the Board of Education is encouraged to provide for the study of foreign language for intermediate and high school students.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 2, as amended herein, and recommends its adoption in the form attached

hereto as H.C.R. No. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 723-86 Planning, Energy and Environmental Protection and Water,
Land Use, Development and Hawaiian Affairs on S.B. No.
1678-86

The purpose of this bill is to provide for owners of land within 1,000 feet of proposed geothermal resource subzones to be notified of public hearings on the designation of such zones.

Your Committees find that the bill would ensure that landowners in the vicinity of proposed geothermal resource subzones are provided with adequate notice of public hearings and with the opportunity to express their views.

Your Committees have amended this bill by clarifying that notification shall be sent to owners of record of real estate and that one notice to one co-owner of record of real estate shall be sufficient notice to all co-owners.

Your Committees on Planning, Energy and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of S.B. No. 1678-86, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1678-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 724-86 Planning, Energy and Environmental Protection and Water,
Land Use, Development and Hawaiian Affairs on S.B. No.
1595-86

The purpose of this bill is to amend the definition of "geothermal development activities" to include the direct use, or non-electric application of geothermal resources as an activity that may be permitted in a geothermal resource subzone.

Presently the definition of "geothermal development activities" includes the exploration, development, or production of electrical energy from geothermal development. This may be construed to exclude non-electrical applications of geothermal energy as an authorized use of this source of energy.

Your Committees believe that the expansion of this definition to include direct use applications of geothermal resources would provide additional incentives to geothermal developers, enhance the viability of existing industries and lead to the establishment of new ventures.

Your Committees have amended this bill by clarifying the proposed modification of the definition of "geothermal development activities". Your Committees find that an important non-electrical value of geothermal resources exists in its potential to be used for space heating and industrial process heat. The resource can be used most efficiently by cascading its use sequentially, beginning with power generation and followed by other applications requiring lower temperatures. Therefore, your Committees have amended every reference to "direct use applications of geothermal resources" to read as "direct heat applications of geothermal resources".

Your Committees on Planning, Energy and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of S.B. No. 1595-86, as amended herein, and recommend that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 1595-86, H.D. 1.

Signed by all members of the Committees.

SCRep. 725-86 Public Employment and Government Operations on H.C.R.
No. 31

The purpose of this concurrent resolution is to create a task force that will

recommend refinement and standardization of the contract and payment process for purchases of services. Among the specific responsibilities given the task force are:

- (1) Identifying the contracting and payment processes of all agencies which utilize purchases of services;
- (2) Recommending, to the extent feasible, a uniform, contracting and payment process to be used by all agencies;
- (3) Studying the feasibility of a streamlined contracting and payment process for contracts of \$50,000 or less;
- (4) Developing consistent interpretations and procedures for implementing rules adopted under Chapter 42, Hawaii Revised Statutes (HRS); and
- (5) Reviewing liability insurance.

Representatives from the State Foundation on Culture and the Arts, the Department of Health, the Statewide Human Services Action Council, the Attorney General, the Executive Office on Aging, the Department of Education, and the Department of Social Services and Housing testified in support of this concurrent resolution. Some of the testimony expressed concerns over the lack of a standard contract execution and payment process which caused delays in payments to providers of service and the high cost and difficulty in obtaining liability insurance coverage required under Chapter 42, HRS.

Although your Committee agrees with the intent of the bill, your Committee believes that the scope of the study should be expanded and that a lead agency should be designated to conduct the study.

Your Committee has therefore made several amendments to the concurrent resolution:

(1) To ensure that providers of service are treated fairly and that public funds are spent on programs which effectively serve the diverse communities of our State, your Committee has expanded the scope of the study to also include the determination of required services, the analysis and review of requests by agencies, the Governor and the Legislature, and the monitoring and evaluation of providers of service and grantees.

(2) Since the task force lacked a lead agency with adequate staff and resources to complete a substantive review and study, your Committee selected the Legislative Auditor to conduct the study. Although the task force concept was changed, the Legislative Auditor is directed to consult with the various State agencies and the Statewide Human Services Action Council listed in the original concurrent resolution. In addition, your Committee has added the State Foundation on Culture and the Arts, Executive Office on Aging, and other interested providers of service as groups the Legislative Auditor should consult in the study. Broad based participation, involving State agencies and providers of service, will further the development of viable recommendations by the Legislative Auditor.

(3) The title of the concurrent resolution was amended to: "Requesting a Review of Grants, Subsidies and Purchases of Service under Chapter 42, Hawaii Revised Statutes", to reflect the change in the scope of the study.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 31, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 31, H.D. 1.

Signed by all members of the Committee except Representatives Nakasato, Oshiro and Medeiros.

SCRep. 726-86 Ocean and Marine Resources on S.B. No. 1855-86

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$3,000,000 for Cyanotech Corporation.

Cyanotech Corporation is one of Hawaii's first and most prominent aquaculture biotechnological firms, specializing in the growth and commercial production of high value microalge. Your Committee finds that Cyanotech Corporation would be an excellent candidate for special purpose revenue bonds to not only assist industrial enterprise and encourage economic growth, but to also establish Hawaii as the marine and aquaculture center of the Pacific and the United States. Your Committee finds that the issuance of special purpose revenue bonds for Cyanotech Corporation will promote economic activity and is in the public interest.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 1855-86, 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. 727-86 Higher Education and the Arts and Water, Land Use,
Development and Hawaiian Affairs on H.R. No. 80

The purpose of this resolution is to request the University of Hawaii to conduct a feasibility study regarding the development of a mixed use commercial/student housing complex on an area adjacent to the Hilo campus on the east side of Kawili Street, and to request the Board of Land and Natural Resources to reserve this site until the study is completed.

This action was recommended by the consultants in the recently completed "Student Housing Development Feasibility Study" prepared for the University of Hawaii at Hilo by Wilson Okamoto and Associates, Inc., dated December, 1985.

Your Committees received testimony in support of this resolution from the Acting Chancellor of the University of Hawaii at Hilo, indicating a severe shortage of student housing at the Hilo campus and the relative inaccessibility to businesses which can provide appropriate goods and services for students living on campus.

Your Committees on Higher Education and the Arts and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 80 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 728-86 Higher Education and the Arts and Water, Land Use,
Development and Hawaiian Affairs on H.C.R. No. 48

The purpose of this concurrent resolution is to request the University of Hawaii to conduct a feasibility study regarding the development of a mixed use commercial/student housing complex on an area adjacent to the Hilo campus on the east side of Kawili Street, and to request the Board of Land and Natural Resources to reserve this site until the study is completed.

This action was recommended by the consultants in the recently completed "Student Housing Development Feasibility Study" prepared for the University of Hawaii at Hilo by Wilson Okamoto and Associates, Inc., dated December, 1985.

Your Committees received testimony in support of this concurrent resolution from the Acting Chancellor of the University of Hawaii at Hilo, indicating a severe shortage of student housing at the Hilo campus and the relative inaccessibility to businesses which can provide appropriate goods and services for students living on campus.

Your Committees on Higher Education and the Arts and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 48 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 729-86 Health and Human Services on H.C.R. No. 33

The purpose of this concurrent resolution, basically, is to request the Depart-

ment of Health to conduct a study to determine the number of mentally retarded persons in the community who will require ongoing services during the next five fiscal year periods.

More specifically, the Department is requested to determine the number of persons who will need ongoing services; to define those persons who require ongoing services; to determine how many persons are "aging out" of the Department of Education's program; and to determine the cost of providing the community-based services.

The Department presented testimony to the effect that it is committed to the concept of deinstitutionalization and recognizes the need for a continuum of services in the community for persons who are mentally retarded.

Your Committees find that the State, through its Department of Health, is committed to the principle of deinstitutionalization and that it has taken steps to implement its policy of providing community-based programs to the mentally retarded. However, your committees find that a greater commitment to deinstitutionalization is needed and that a greater concern should be shown for the welfare of those who are not now within the program or who are "aging out" of the program. Furthermore, your Committees agree that the study requested in this concurrent resolution should encompass not only those who are mentally retarded but also those who are developmentally disabled. To effectuate this end, your Committees have appropriately amended this concurrent resolution to encompass those who also are developmentally disabled.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 33, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 33, H.D. 1.

Signed by all members of the Committees.

SCRep. 730-86 Health on H.R. No. 60

The purpose of this resolution, basically, is to request the Department of Health to conduct a study to determine the number of mentally retarded persons in the community who will require ongoing services during the next five fiscal year periods.

More specifically, the Department is requested to determine the number of persons who will need ongoing services; to define those persons who require ongoing services; to determine how many persons are "aging out" of the Department of Education's program; and to determine the cost of providing the community-based services.

The Department presented testimony to the effect that it is committed to the concept of deinstitutionalization and recognizes the need for a continuum of services in the community for persons who are mentally retarded.

Your Committees find that the State, through its Department of Health, is committed to the principle of deinstitutionalization and that it has taken steps to implement its policy of providing community-based programs to the mentally retarded. However, your committees find that a greater commitment to deinstitutionalization is needed and that a greater concern should be shown for the welfare of those who are not now within the program or who are "aging out" of the program. Furthermore, your Committees agree that the study requested in this resolution should encompass not only those who are mentally retarded but also those who are developmentally disabled. To effectuate this end, your Committees have appropriately amended this resolution to encompass those who also are developmentally disabled.

Your Committee on Health concurs with the intent and purpose of H.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 60, H.D. 1.

Signed by all members of the Committee.

indicate that the distressing effects of these numerous and uncontrolled tour flights not only diminish Hawaii's character in the eyes of its residents, but also seriously affect visitors' perceptions of Hawaii as a destination to escape from such inconveniences. Additionally, the profusion of flights has led to a decrease in safety conditions in the sky and on the ground, as evidenced by ten helicopter crashes and two deaths in 1985 alone.

Your Committees find that there exists a need for a set of enforceable rules and regulations that would take into account the Wilderness Act of 1965, which calls for the preservation of primeval conditions in wilderness areas; and, additionally, acknowledge a citizen's rights to enjoy residential and recreational activities without undue intrusion from the air. Currently the FAA has no specific regulations for helicopters with the exception of the governing of approaches and landings at major air carrier facilities. A voluntary "Fly Neighborly" program was supported by the FAA in 1981, however, without a means of enforcement adherence to the program proved to be very short lived.

Given the State Attorney General's opinion that any attempt by State or local authorities to impose rules and regulations on helicopter use would be preempted by federal law, and that the Noise Control Act of 1972 gives primary responsibility for control of aircraft noise to the FAA, your Committees feel that the authority to promulgate such regulations lies with the FAA and therefore, have requested the proposed legislation be enacted by Congress.

Your Committees have amended this resolution to include a paragraph referring to the State Attorney General's opinion and also by requesting that the Subcommittee on Aviation recommend to Congress the proposed legislation rather than enacting the legislation themselves.

Your Committees have further amended this resolution by clarifying the FAA's position in regards to the "Fly Neighborly" program and by making a non-substantive correction in subsection (c).

Your Committees on Planning, Energy and Environmental Protection and Transportation concur with the intent and purpose of H.R. No. 85, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 85, H.D. 1.

Signed by all members of the Committees.

SCRep. 733-86 Consumer Protection and Commerce on S.B. No. 1912-86

The purpose of this bill is to amend Section 294-33, Hawaii Revised Statutes, by prohibiting automobile insurers from unfairly charging higher automobile insurance rates for handicapped persons.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1912-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 734-86 Consumer Protection and Commerce on S.B. No. 200

The purpose of this bill is to amend Section 463-2, Hawaii Revised Statutes, by deleting the provision which would require the term of Board members to commence on January 1 and to expire on December 31.

Your Committee received favorable testimony from the Department of Commerce and Consumer Affairs (Department). The Department testified that Act 153, SLH 1985, provides that unless otherwise provided by law, the terms of all members of boards and commissions except the Boards of Agriculture, Land and Natural Resources and the Hawaiian Homes Commission, shall commence on July 1 and expire on June 30. Accordingly, all boards under the jurisdiction of the Department have terms which expire on June 30, except for the Board of Private Detectives and Guards.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 200, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 735-86 Consumer Protection and Commerce on S.B. No. 1576-86

The purpose of this bill is to amend Section 490:2-313.1, Hawaii Revised Statutes, by providing that where the informal dispute procedure is invoked by the consumer over a new motor vehicle under express warranties, a decision resolving the dispute shall be rendered within forty-five days after the procedure is invoked.

Your Committee received favorable testimony from the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs, General Motors Corporation and the Hawaii Auto Dealers' Association.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1576-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 736-86 Housing and Consumer Protection and Commerce on S.B. No. 1527-86

The purpose of this bill is to reduce the time period within which a tenant shall be deemed to have wrongfully quit the dwelling unit from thirty days to fifteen days.

Your Committees agree with the Hawaii Association of Realtors that the bill would reduce landlord losses that invariably occur, while retaining adequate protection to tenants. Under the current thirty-day requirement, the landlord is unable to collect for damages to the unit since he or she is allowed to retain a security deposit not to exceed one month's rent. If the tenant is in default in paying rent prior to the wrongful quit, the losses to the landlord are greater and are almost never recovered.

Your Committees also recognize the concerns expressed by the Office of Consumer Protection that there might be circumstances, such as vacation, business trip, or emergency, where the tenants might be away from their dwelling units for more than fifteen days. Therefore, your Committees have amended the bill to twenty days of continuous absence.

Your Committees on Housing and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 1527-86, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1527-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 737-86 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 2358-86

The purpose of this bill is to provide legislative support for the Department of Hawaiian Home Lands' participation under the "Indian Economic Development Act of 1985" or under any other federal or State legislation to establish enterprise zones on Hawaiian homelands.

The "Indian Economic Development Act of 1985" was introduced in the U.S. Congress last year to stimulate the creation of new jobs, employment training, development of infrastructure, and revitalization of economically distressed Indian reservations. Your Committee finds that the U.S. Congress is expected to conduct committee hearings on this "Act" in April 1986, and that support by the Hawaii State Legislature for the inclusion of the Department of Hawaiian Home Lands (DHHL) in the "Act" is appropriate.

Your Committee is in agreement that entitlement under the "Act" to native Hawaiians could greatly enhance DHHL's income-generating potential and help distressed areas in Hawaii. In addition, employment opportunities and training would be made available to economically disadvantaged native Hawaiians.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2358-86, S.D. 1, and recommends

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

Signed by all members of the Committee.

SCRep. 738-86 Human Services on S.B. No. 2130-86

The purpose of this bill is to designate the third Sunday of October as "Respect for Our Elders Day", to recognize and remember our elders.

Your Committee finds that the month of October has been designated as Na Kupuna Aloha Month by the Policy Advisory Board for Elderly Affairs, during which intergenerational activities involving school children and kupunas are held. In 1985, thirty-nine schools statewide participated in these activities.

Your Committee believes that, while not intending to designate "Respect for Our Elders Day" as a State holiday, it is important that the State promote respect for our kupunas.

Your Committee heard testimony in support of this bill by the Policy Advisory Board for Elderly Affairs and the Executive Office on Aging.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2130-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kiyabu.

SCRep. 739-86 Health on H.R. No. 94

The purpose of this resolution is to request a study on congenital toxoplasmosis to be conducted by the Department of Health.

The requested study is intended to identify the population at risk of transmitting the disease to their children and methods of early detection and therapeutic intervention to prevent the disorders which may result from the disease.

The Department of Health presented testimony to the effect that it recognizes the concerns expressed in the resolution, especially with respect to congenital toxoplasmosis being transmitted from mother to infant with resulting deformities and handicaps in the infant. However, the Department indicated that the establishment of congenital toxoplasmosis screening as a statewide newborn screening program is in its infancy and a proper study to determine the feasibility of instituting such a program would require both a great deal of time and money.

Testimony also was presented showing that Dr. Raul Rudoy, Associate Professor of Pediatrics and Chief of Pediatric Infectious Disease at the John A. Burns School of Medicine, located at Kapiolani Women's and Children's Medical Center, has been conducting a study on the incidence of congenital toxoplasmosis in Hawaii. Dr. Rudoy then testified that although a relatively small proportion of the population is affected, congenital toxoplasmosis can be a devastating disease and the consequences can be extremely costly to the family and to society. He strongly recommended that further research in this area be continued and that the study not be permitted to lapse because of insufficient funding.

Your Committee agrees with the testimony presented and finds that it is essential to identify congenital toxoplasmosis cases during the neonatal period in order to promote early intervention and to prevent the occurrence of the serious consequences of the disease. Your Committee, therefore, recommends the continuance of the study.

Your Committee has amended this resolution by deleting therefrom a request to conduct a study, inasmuch as a study is already in progress, albeit only half-complete since funds have run out, and by adding thereto a strong request that further research and study be conducted.

Your Committee on Health concurs with the intent and purpose of H.R. No. 94, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 94, H.D. 1.

Signed by all members of the Committee except Representative Jones.

SCRep. 740-86

Health on H.C.R. No. 57

The purpose of this concurrent resolution is to request a study on congenital toxoplasmosis to be conducted by the Department of Health.

The requested study is intended to identify the population at risk of transmitting the disease to their children and methods of early detection and therapeutic intervention to prevent the disorders which may result from the disease.

The Department of Health presented testimony to the effect that it recognizes the concerns expressed in the resolution, especially with respect to congenital toxoplasmosis being transmitted from mother to infant with resulting deformities and handicaps in the infant. However, the Department indicated that the establishment of congenital toxoplasmosis screening as a statewide newborn screening program is in its infancy and a proper study to determine the feasibility of instituting such a program would require both a great deal of time and money.

Testimony also was presented showing that Dr. Raul Rudoy, Associate Professor of Pediatrics and Chief of Pediatric Infectious Disease at the John A. Burns School of Medicine, located at Kapiolani Women's and Children's Medical Center, has been conducting a study on the incidence of congenital toxoplasmosis in Hawaii. Dr. Rudoy then testified that although a relatively small proportion of the population is affected, congenital toxoplasmosis can be a devastating disease and the consequences can be extremely costly to the family and to society. He strongly recommended that further research in this area be continued and that the study not be permitted to lapse because of insufficient funding.

Your Committee agrees with the testimony presented and finds that it is essential to identify congenital toxoplasmosis cases during the neonatal period in order to promote early intervention and to prevent the occurrence of the serious consequences of the disease. Your Committee, therefore, recommends the continuance of the study.

Your Committee has amended this concurrent resolution by deleting therefrom a request to conduct a study, inasmuch as a study is already in progress, albeit only halfcomplete since funds have run out, and by adding thereto a strong request that further research and study be conducted.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representative Jones.

SCRep. 741-86

Housing on S.B. No. 1761-86

The purpose of this bill is to clarify the definition of development tract under the residential leasehold law. This bill provides for the inclusion of residential lots which may have been converted to fee simple and streets and roadways developed as an integral part of the tract in a development tract.

In response to an inquiry by the Hawaii Housing Authority regarding the clarification of the method in determining tract qualification, the Attorney General's Office expressed an opinion that tracts converted to fee simple or are non-residential in nature, such as commercial properties, parks and roadways, should not be considered when calculating the minimum five acre total of a development tract.

The expressed opinion affects lots which were previously converted to fee because it no longer considers these lots as qualifying for determination of the five acre tract.

This bill clarifies the statutes so that converted fee lots can be used to compute total acreage of a development tract. Non-residential lots, such as streets and roads which were developed as an integral part of the subdivision, can also be included as part of a development tract.

Your Committee has amended the bill by amending the definition of "lot", "houselot", "residential lot", and "residential houselot" under chapter 516, HRS, to include other lots which provide access and are appurtenant to the residential

houselots.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1761-86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1761-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 742-86 Planning, Energy and Environmental Protection and Water,
Land Use, Development and Hawaiian Affairs on S.B. No.
2140-86 (Majority)

The purpose of this bill is to eliminate free-standing golf driving ranges as a permitted use within agricultural districts.

Your Committees find that Section 205-2, Hawaii Revised Statutes, provides general restrictions relating to the districting and classification of lands and permitted uses within agricultural districts. Act 298, Session Laws of Hawaii, 1985, amended the permitted uses within agricultural districts to include golf courses and golf driving ranges.

Your Committees feel that golf driving ranges should be a permitted use within agricultural districts only in situations where these ranges are an appurtenant part of a golf course complex.

Your Committees have amended this bill by inserting a new Section 2 which provides that this Act shall not apply to any on-going applications for golf driving ranges submitted to the State or the Counties prior to March 1, 1986.

Your Committees on Planning, Energy and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of S.B. No. 2140-86, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2140-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 743-86 Planning, Energy and Environmental Protection and Water,
Land Use, Development and Hawaiian Affairs on S.B. No.
1496-86

The purpose of this bill is to establish new criteria for the Board of Land and Natural Resources to process conservation district use permits for geothermal activities on conservation lands located in designated geothermal resource sub-zones.

Your Committees find that the guidelines provided by this bill will facilitate the orderly and timely development of geothermal energy in the State by establishing a consistent basis for approving geothermal development activities by the Board of Land and Natural Resources or the county, whatever the land district may be. This bill will also assist the geothermal developers in the preparation of their applications by clarifying the basis upon which land use decisions will be made. The proposed time limits for decision-making by the board of land and natural resources are also consistent with those specified for county action in non-conservation districts.

Your Committees have amended this bill by deleting item (3) of the proposed amendment to Section 205-5.1(d), HRS. Your Committees feel that the criteria set forth in the proposed items (1) and (2) should be adhered to and that the flexibility proposed in item (3) is unnecessary. Your Committees have also deleted the time criteria proposed for the Board of Land and Natural Resources to issue a decision on a geothermal development application in that this timetable currently exists in statute.

Your Committees on Planning, Energy and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of S.B. No. 1496-86, S.D. 2, as amended herein, and recommend that it

pass Second Reading in the form attached hereto as S.B. No. 1496-86, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 744-86 Health and Judiciary on S.B. No. 1837-86

The purpose of this bill is to permit any person in charge of a hospital to request the next of kin of a decedent, in the order of statutory priority, to consent to the gift of all or any part of the decedent's body to any potential donee who demonstrates that there is immediate and substantial need for such donation.

Your Committees heard testimony from several interested parties supporting this measure on the basis that it will have a positive impact on Hawaii's current shortage of organs and tissue available for transplant. Your Committees agree with the statements presented and find, in addition, that the enactment of this measure would be in the public interest.

Your Committees, however, amended the bill by deleting therefrom that part beginning with the word "when" on line 8 and ending with the comma following the phrase "in section 327-2(b)" on line 12. Your Committees are in agreement that the deleted portion is not necessary and merely adds confusion to the bill.

Your Committees further amended the bill by deleting the last proviso which required the potential recipient of the transplant to demonstrate that there is an immediate and substantial need for the donation. Your Committees find that such a requirement is impractical in most cases and would defeat the intent of this bill.

Your Committees on Health and Judiciary are in accord with the intent and purpose of S.B. No. 1837-86, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1837-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 745-86 Human Services and Education on S.B. No. 2126-86

The purpose of this bill is to include programs which promote fluency in the Hawaiian language among the programs which are excluded from the purview of the child care licensing law.

Your Committees received much testimony for and against this bill. Those testifying against the bill were concerned that as more exclusions from the law are granted, less protection is being afforded to children in our State. Those in support of the bill eloquently expressed the need to preserve the Hawaiian culture, fundamentally through its language, which is now near death as a result of dwindling numbers of native Hawaiian speakers.

Your Committees find support for the exemption in Article X, Section 4 of the State Constitution, which states that the State shall promote the study of Hawaiian culture, history and language, and in Article XV, Section 4 of the State Constitution, which prescribes Hawaiian and English as the official languages of the State.

Your Committees heard testimony that the Hawaiian language immersion programs have difficulty meeting child care licensing requirements because a preschool teacher must possess a degree in elementary education with six months of experience or an equivalent degree. Since the Hawaiian language program relies on the kupuna, the program is unable to operate in compliance with the child care law.

Your Committees believe that the degree requirement for the kupunas is unreasonable and unnecessary. The kupunas are the source of knowledge of Hawaiian language, culture and history and have an esteemed place in the Hawaiian culture and 'ohana. Your Committees believe that kupunas do nurture, protect and educate children in a loving environment and that they promote the purposes for which child care laws and regulations are enacted.

Your Committees received testimony from the 'Aha Punana Leo that the program

has complied with all aspects of child care laws and regulations, with the exception of the requirements for academic training or certification of their staff.

Your Committees believe that while staff members of programs which promote fluency in the Hawaiian language should be exempt from academic training or certification, such programs should comply with other aspects of the child care licensing law and its attendant regulations.

Your Committees also believe that while there currently exist other exclusions from the law, such as those found in Sections 346-152(a)(4) and (5), these exclusions need to be more narrowly drawn in order that the law in this area be fairly and consistently applied and that minimum safeguards and protections are afforded to children in our State. Your Committees hope that the next Legislature will address these sections of the child care law.

Your Committees made two other clarifying amendments:

(1) In Section 346-152(a)(1), the phrase "children related to the caregiver by blood or marriage" was substituted for "related child"; and

(2) In Section 346-152(a)(2), "A neighbor or friend caring for no more than two children" was changed to "A person, group of persons or facility caring for a child".

The purpose of the first amendment is to clarify that the relationship which removes a child care provider from the reach of this law is the relationship between the caregiver and the children, not the children to each other. The purpose of the second amendment is to clarify that occasional day care is not subject to child care regulations. Physical fitness centers, churches and hotels that care for children of guests need not be subject to regulation if care is being provided to a child for less than three hours a day and not more than two times a week.

Your Committees on Human Services and Education are in accord with the intent and purpose of S.B. No. 2126-86, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2126-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Nakasato and Yoshimura.

SCRep. 746-86 Housing on S.B. No. 2091-86

The purpose of this bill is to exempt housing projects by the Hawaii Housing Authority (HHA) and experimental and demonstration housing projects by the counties from the State land use district boundary amendment requirements. This bill also allows the HHA to independently develop economically integrated housing, permits such housing to be randomly dispersed individually or in clusters, and subjects such housing to the use, sale, and transfer restrictions provided in sections 359G-9.2, 359G-9.3, and 359G-9.4

The HHA and the County of Hawaii testified in favor of this measure. HHA further testified that their interpretation of the current law already exempts the HHA from the LUC approval process, but that this measure was necessary to clarify the law.

While the Land Use Commission (LUC) recognized the importance of state and county efforts to meet the State's housing needs, LUC opposed the measure. The Department of Planning and Economic Development also opposed exempting counties from the land use district amendment proceeding, citing the original intent of Act 142, Session Laws of Hawaii 1975.

Upon further consideration, your Committee agrees that State, Counties, and City and County should be subject to the State boundary amendment review procedures when developing housing projects in conservation, rural, and agricultural lands to maintain the integrity of the land use process. Your Committee believes that any housing project, even those developed by the government, can have an adverse effect on the resources of the area.

However, your Committee is concerned with the current lengthiness and uncertain-

ty involved in the LUC redistricting process which in turn greatly increases the development cost of housing. This defeats the purpose of Chapter 359G to develop affordable housing. Your Committee has amended the bill to provide the HHA with an expedited 45 day review process by the LUC. This review period is equivalent to the length of time afforded the county councils in the review of HHA projects.

Your Committee strongly believes that the housing projects developed by the Counties and the City and County should receive the same expedited consideration by the LUC as those developed by the HHA. Unfortunately your Committee finds that the title of this bill is not constitutionally broad enough to encompass similar provisions for the Counties and therefore have deleted all such provisions relating to Counties.

Your Committee has also amended the bill to change the effective date of the Act to December 31, 1986;

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2091-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2091-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 747-86 Consumer Protection and Commerce on S.B. No. 1551-86

The purpose of this bill is to amend Chapter 431, Hawaii Revised Statutes, by expanding the "Mass Merchandising of Motor Vehicle Insurance" to include all property and casualty lines of insurance. This bill would also amend Chapter 294, by adding a new section which would allow specialty insurers to offer no-fault insurance policies for U-drive motor vehicles, thereby exempting such insurers from participation in the joint underwriting plan.

Your Committee received favorable testimony from the Department of Commerce and Consumer Affairs, the Hawaii Transportation Association, the Hawaii Independent Insurance Agents Association and the Hawaii Insurers Council.

Your Committee, although fully cognizant that this bill could have a positive impact upon the insurance availability and affordability crisis facing the consuming public, is not convinced that exempting U-drive specialty insurers a special exemption would be a viable alternative. Accordingly, your Committee, upon further consideration, has deleted the amendments to Chapter 294.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1551-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1551-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 748-86 Consumer Protection and Commerce on S.B. No. 1514-86

The purpose of this bill is to clarify and rationalize Hawaii's laws pertaining to interest and usury as set forth in Chapter 478, Hawaii Revised Statutes.

As a result of numerous amendments over the past several years, Chapter 478, Hawaii Revised Statutes, has become a maze of exceptions, ambiguities, inconsistencies and contradictions confusing to both creditors and consumers. Despite the numerous amendments, Chapter 478 has failed to keep pace with the variety of credit transactions available in both the commercial and consumer credit markets. The result has been to make unavailable, or more costly, in Hawaii some types of credit which are freely available to consumers and businesses in other states.

By way of brief summary, the bill: (1) deregulates, with one exception, commercial credit completely; (2) retains at 12% the annual rate of interest which may be established by written contract in consumer credit transactions; (3) retains at 18% the annual rate of interest which may be charged with respect to credit card agreements; (4) retains and clarifies the existing exemptions afforded

first liens on real property; and (5) limits to consumer credit transactions only the present statutory restriction on the compounding of interest.

This bill is a companion bill to H.B. No. 1940-86, H.D. 1, passed earlier by the House. The differences between the two bills are minor, with one exception of a substantive nature. Your Committee believes the House version better achieves the goal of clarifying the law and has amended the bill to conform with the House version.

Your Committee heard testimony from the Commissioner of Financial Institutions, the Hawaii League of Savings Institutions, and the Hawaii Financial Services Association in support of the bill; however, the Commissioner stated a preference for the House version over that adopted by the Senate.

The Commissioner also stated that the amendment to subsection 478-8(b)(2) confirms the original legislative intent that the limitation on interest rates which can be charged with respect to agreements of sale on renegotiation or extension applies only to agreements of sale entered into on or after July 1, 1985. Further, the Commissioner requested that the following sentence be added at the end of subsection 478-8(b)(4), "This paragraph shall not be deemed to limit any seller's right to charge interest under section 478-2."

Your Committee, upon further consideration, has amended the bill and adopted the Commissioner's recommendations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1514-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1514-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 749-86 Consumer Protection and Commerce on S.B. No. 1570-86

The purpose of this bill is to amend Section 26H-4, Hawaii Revised Statutes, by extending the Board of Barbers (Chapter 438) to December 31, 1990. This bill would also amend Chapter 438 by amending the definition of barbering to include hair coloring, deleting the "good moral character" provision for certification, limiting the practical exams to include permanent waving and hair coloring only, adding a new section entitled: "right of injunction", amending the powers and duties of the Board, and adding a new "medical clearance" section which would allow the Board to request any barber to submit to a medical clearance test.

Your Committee received favorable testimony from the Hawaii Institute of Hair Design, the Board of Barbers (Board) and members of the barbering profession. The Board testified, however, that it would like to retain the authority to give its present practical examination and that it should be left up to the Board's discretion to determine what areas an applicant should be tested upon. The Board added that it was in favor of having the age requirement of both the apprentice and journeyman barber at 17 years of age.

Your Committee finds that the Board has done a good job in protecting the public from those who have not acquired the ability to practice the profession safely. Accordingly, your Committee has amended the bill by extending the Board to December 31, 1992.

Your Committee, upon further consideration, has also amended the bill to provide that both the apprentice and journeyman barber shall be at least 17 years of age and deleted the requirement that practical demonstrations include permanent waving and hair coloring.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1570-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1570-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 750-86

Consumer Protection and Commerce on S.B. No. 2131-86

The purpose of this bill is to amend Chapter 407, Hawaii Revised Statutes, to provide for public disclosure of any acquisition or proposed acquisition of stock of state savings and loan associations or state savings and loan holding companies. The bill also prohibits a person or company from acquiring "control" of a savings and loan association without the prior approval of the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs. The Commissioner would be authorized to disallow those proposed acquisitions which might result in injury to a savings and loan association or its depositors.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs (Department), International Holding Capital Corp. and American Savings. The Department testified in support of the bill; however, they believed that the scope of the bill should encompass changes in control involving any savings and loan association subject to examination and supervision by the State, which would include foreign associations operating pursuant to Section 407-22, Hawaii Revised Statutes. The Department noted that although the Senate Standing Committee Report indicated its concurrence to broaden the scope of the bill to include "Changes in control involving all savings and loan associations, including foreign associations or corporations ...", the bill itself does not include the terms "foreign association" or "foreign holding company" in several key areas. These omissions create both ambiguities and inconsistencies in how changes in control of associations and foreign associations are scrutinized and could severely hamper and limit the involvement of the Commissioner in regulating changes in control of foreign associations.

Your Committee, upon further consideration, has amended the bill to reflect the recommendations proposed by the Department. Your Committee finds that changes in control involving all savings and loan associations, including foreign associations and corporations, should be subject to public notice and disclosure so that the public would be informed and the depositors could be adequately protected.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2131-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2131-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Shito.

SCRep. 751-86

Consumer Protection and Commerce on S.B. No. 1569-86

The purpose of this bill is to amend Section 26H-4, Hawaii Revised Statutes, to extend the Board of Cosmetology (Board) to December 31, 1989. This bill would also amend Chapter 439 by amending the definitions and deleting the definition of "electrologist", deleting the Board's authority to inspect any or all persons affected by this chapter, deleting all "good moral character" provisions, providing six certification categories, deleting the electrologist provisions, providing the Board authority to develop new written examinations, changing the apprentice to operator ratio from one to three to one to one, allowing the Department of Health to regulate electrologists, allowing the Board to require an operator to submit to a medical clearance test and to require the Board to report to the Legislature on its progress in improving the practical exam prior to the convening of each of the regular sessions of 1987 and 1988.

Your Committee received testimony from numerous beauty operators stating their concern that deregulation would expose consumers to a variety of health and safety risks such as communicable diseases, chemical burns, skin infections, allergic reactions, and accidental injuries. The operators believe that there is substantial need to continue regulating this profession in the public interest.

Your Committee, upon further consideration, has made the following amendments:

1. The definition of "electrologist" has been retained;
2. Provided nine certification categories, rather than six, and provided further that the Board may modify the number of categories if approved by the vote or written consent of two thirds of the members of the Board;

3. Section 439-14 Examination, has been amended to provide that, "The board shall contract with a professional testing service to have the testing service prepare and provide examinations for applicants as may be required for the purposes of this chapter." Also, that "(b) Every applicant who is required by the board to be examined shall pay an examination fee as provided in rules adopted by the director pursuant to Chapter 91. The examination fee may be paid directly to the professional testing service by the director or the examinee or deposited with the Director of Finance to the credit of the general fund.";

4. The amendment to Section 321-13 has been deleted; and

5. The three-to-one operator to apprentice ratio has been retained.

Your Committee has made other nonsubstantive amendments for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1569-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1569-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 752-86 Consumer Protection and Commerce on S.B. No. 1550-86

The purpose of this bill is to amend Act 270, Session Laws of Hawaii 1985, and Chapter 416 by protecting officers and board members of nonprofit corporations from civil liability for administrative actions undertaken in good faith. The immunity covers all officers and board members serving without payment. It does not extend to liabilities resulting from wanton acts, or from gross negligence in the performance of officers' and directors' duties.

Your Committee received testimony from the Department of Commerce and Consumer Affairs, the Chamber of Commerce of Hawaii, Oceanic Properties, Inc., the Hawaii Association of Realtors, the Hawaii Psychological Association, the Hawaii Medical Association, the Hospital Association of Hawaii, the John Howard Association of Hawaii, the Commission on the Handicapped, the Autistic Vocational Education Center, the Hawaii Association of Independent Schools, the Aloha Society of Association Executives, the Hawaii Medical Service Association, the Hawaii Council of Associations of Apartment Owners, the Maui Rehabilitation Center, the Hawaii Bankers Association and the Hawaii Association of Plaintiff Attorneys (HAPA).

Your Committee, upon further consideration, has amended the bill by deleting the phrase, "which are required or authorized to be performed by" on page 1, lines 8 and 9.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1550-86, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1550-86, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 753-86 Consumer Protection and Commerce on S.B. No. 2481-86

The purpose of this bill is to amend Section 431-693, Hawaii Revised Statutes, to provide that due consideration shall be given to investment income in developing property-casualty insurance rates. The bill also provides that the Insurance Commissioner may calculate the investment income and accuracy of loss reserves upon which filings are based and may request that the insurer provide the information necessary to make the calculation.

Your Committee received favorable testimony from the Department of Commerce and Consumer Affairs (Department), the Hawaii Independent Insurance Agents Association and the Hawaii Insurance Council. The Department testified that although insurance companies periodically operate at an underwriting loss in many lines of insurance, most companies have realized a return on net worth of healthy proportion due to investment income. It therefore appears clear that investment income should be considered a significant factor in the Insurance Commissioner's

evaluation of whether rates are excessive, inadequate or unfairly discriminatory.

Your Committee, upon further consideration, has made the following amendments which would require the Insurance Commissioner to independently calculate the investment income and determine the accuracy of loss reserves upon which filings are based and require the insurer to provide the necessary information to make such findings.

1. On page 4, line 14, the word "may" has been deleted and replaced with the word "shall";
2. On page 4, line 16, the words "may request" have been deleted;
3. On page 4, line 16, the word "for" has been deleted and replaced with the phrase: "shall provide the";
4. On page 7, line 22, the word "may" has been deleted and replaced with the word "shall";
5. On page 8, lines 1 and 2, the words "may request" have been deleted; and
6. On page 8, line 2, the word "for" has been deleted and replaced with the phrase: "shall provide the".

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2481-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2481-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 754-86 Consumer Protection and Commerce on S.B. No. 2057-86

The purpose of this bill is to amend Section 514A-82, Hawaii Revised Statutes, to provide that no member of a board of directors who uses association funds to solicit proxies shall cast any proxy votes for the election or reelection of directors unless the board first posts notice of its intent to solicit proxies at least fourteen days prior to solicitation and fails to receive within seven days a request by any owner for use of association funds to solicit proxies accompanied by an explanatory statement. If notice is received within seven days, the board shall mail to all owners a proxy form or statement containing the list of names of all owners who have requested the use of association funds for soliciting proxies.

Your Committee heard testimony from the Hawaii Council of Associations of Apartment Owners (Council), the Hawaii Association of Realtors, and representatives of owners of condominiums in support of the bill. The Council, however, testified that the number of days for posting notices prior to the solicitation of proxies should be increased from 14 to 30 days in order to allow more time for all parties to take appropriate action.

Your Committee, upon further consideration, has amended page 6, line 9 of the bill to substitute "thirty" for "fourteen".

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2057-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2057-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 755-86 Consumer Protection and Commerce on S.B. No. 2346-86

The purpose of this bill is to amend Section 449-16, Hawaii Revised Statutes, to provide that all checks and drafts deposited in an escrow depository shall clear the financial institution from which they were drawn prior to release by an escrow depository of any funds involving the checks or drafts.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs in support of the bill.

Your Committee, upon further consideration, has made stylistic amendments to the bill as follows:

1. Definitions for "Escrow account", "Financial institution", and "Item", have been placed in Section 449-1 Definitions.

2. An amendment has been made to Section 449-4 Penalty, to provide that "No licensee shall be subject to this penalty for a violation of section 449-16 if the violation was not intentional or resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adopted to avoid that error. Examples of bona fide errors include, but are not limited to, clerical miscalculations, computer malfunction, printing errors and computer programming errors."

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2346-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2346-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 756-86

Consumer Protection and Commerce on S.B. No. 2310-86

The purpose of this bill is to amend Section 431D-16, Hawaii Revised Statutes, to allow insurers to surcharge policyholders directly to recoup assessments paid to the Hawaii Insurance Guaranty Association (HIGA). Presently, insurers are allowed to recoup assessments through the ratemaking process. HIGA was established by Chapter 431D, Hawaii Revised Statutes, in 1971 to provide a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment and to avoid financial loss to claimants or policyholders because of the insolvency of an insurer, to assist in the detection and prevention of insurer insolvencies, and to provide an association to assess the cost of such protection among insurers.

Your Committee heard testimony from HIGA, the Hawaii Independent Insurance Agents Association, Hawaii Insurers Council, Pacific Insurance Company and First Insurance Company of Hawaii in support of the bill. The Hawaii Insurers Council testified that in the last two years, Hawaii's insurance companies have paid \$19 million to HIGA; however, they have not been able to recoup any of these assessments through the ratemaking process. Under the proposed bill, insurance companies would be allowed to add a surcharge to the premiums of its policyholders to recoup their assessments. The Council noted that policyholders pay more when recoupment is in the rates because the rate has to be increased by 3 percent to collect a 2 percent recoupment. This is because both agents' commissions and premium taxes are computed and added onto the rate. This bill provides that the commissions and the taxes be computed first and then the surcharge be added on afterwards.

Your Committee also heard testimony from the Department of Commerce and Consumer Affairs (Department) in opposition to the bill. The Department testified that Chapter 431D is the Model Act adopted by the National Association of Insurance Commissioners (NAIC) in 1970. Although the Model Act has gone through some review and amendments, the surcharge system proposed in S.B. No. 2310-86 has not been adopted by the NAIC nor incorporated into the Model Act. The Department expressed its concern that if the surcharge results in over-recoupment or if the insolvent insurer is finally liquidated and recovery is made, the rebate to the specific policyholder who was surcharged cannot be guaranteed.

The Department emphasized that a crucial feature of the current law provides that insurers shall recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association. The statute also provides that the association may issue refunds to member insurers if, at the end of the calendar year, the board of directors finds that the assets of the association exceed the liabilities as estimated for the coming year. Therefore, the current recoupment mechanism attempts to address the issue of and prevent an insurer from double recoupment through both rate increases and refunds from the association. The proposed amendment does not contain this important safeguard and would allow insurers to immediately recoup their full amounts by surcharging policyholders without regard to the fact that an insurer may eventually obtain a refund from the association.

The Department also testified that it is presently studying revisions to the insurance laws, which study is due for submission to the 1987 Legislature, and requested an opportunity to thoroughly review this area before the Legislature considers the amendment being proposed in the bill.

Finally, the Department requested that the bill be revised to correct a technical loophole in Sections 431D-14 and 431F-14. Both sections, while providing that guaranty associations shall be subject to examination and regulation by the Insurance Commissioner, do not explicitly provide that the associations are responsible for the cost of such examinations. Currently, all insurers under Chapter 431 and fraternal/mutual benefit societies (e.g., HMSA) under Chapter 433 are explicitly responsible for examination expenses. Even current proposed legislation relating to captives, group self-insurance, joint underwriting plans, etc., contain specific provisions requiring such entities to be responsible for examination expenses. The Department noted that HIGA has never been examined by the Insurance Division, and that it is important that an in-depth examination be conducted of an entity handling tens of millions of dollars in insurer assessments.

Your Committee, upon further consideration, has amended the bill by deleting the amendment to Section 431D-16 which would have allowed insurers to surcharge its policyholders to recoup assessments. Your Committee has also amended the bill by adding amendments to Sections 431D-14 and 431F-14 to provide that the costs and expenses of every examination of the association shall be borne and paid by the association in the manner prescribed by Sections 431-59 and 431-59.1.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2310-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2310-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 757-86 Consumer Protection and Commerce on S.B. No. 2296-86

The purpose of this bill is to amend Section 281-60, Hawaii Revised Statutes, by extending the period an applicant must wait before reapplying for a liquor license from ninety days to six months.

Section 281-60, Hawaii Revised Statutes, provides that if an applicant for a liquor license is refused a license for any reason other than having had a sufficient number of protests filed and sustained, that applicant can reapply to the Liquor Commission after a period of ninety days.

Your Committee received favorable testimony from the Waikiki Residents Association.

Although in agreement with the intent of the bill, your Committee does not see any reason to provide a one-year waiting period after a license has been denied for reason of fitness and for complaints filed and sustained under section 281-59, Hawaii Revised Statutes, while providing a six-month delay for refusals based upon other reasons.

Your Committee, upon further consideration, has amended the bill to provide that if any applicant has at any time been refused a license, no further application shall be considered for one year from such refusal.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2296-86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2296-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 758-86 Judiciary on S.B. No. 2038-86

The purpose of this bill which amends section 571-44, HRS, is to allow alleged law violators under twelve years of age to be evaluated by a licensed clinical psychologist.

Under present law, no child under the age of twelve shall be adjudged to come within section 571-11(1) without the written recommendation of a psychiatrist or other physician duly qualified by special training and experience in the practice of child psychiatry.

The Family Court of the First Circuit supports this bill which provides that alleged law violators under twelve years of age may be evaluated by licensed clinical psychologists in addition to the current provision for evaluation by psychiatrists or other similarly qualified physicians. The Hawaii Psychological Association (HPA) is also in accord with the bill.

Your Committee finds that licensed psychologists have sufficient training and qualifications to take on this responsibility. Your Committee also agrees that the Family Court can assess the case through members of the Family Court's mental health team.

Your Committee has amended the bill by deleting the word "clinical" from the term "licensed clinical psychologist". The HPA testified that when reference is made to psychologists, it is to "licensed psychologists".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2038-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2038-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 759-86 Judiciary on S.B. No. 1831-86

The purpose of this bill is to amend chapter 334, Hawaii Revised Statutes, to allow emergency examination and treatment of persons who are obviously ill.

Presently, the law allows a police officer to take into custody a person who is believed to be committing an offense due to apparent mental illness or substance abuse and appears to be imminently dangerous to property, to self, or to others, or who is threatening or attempting suicide.

The bill would amend the law to provide that a police officer notify the Crisis Response Team or the Emergency Medical Team if the officer becomes aware of a person who is obviously mentally ill and to delete the authority of the police officer to take into custody a person who is attempting or threatening suicide. The bill further provides for emergency hospitalization for a person who is gravely disabled or obviously ill.

Your Committee heard testimony in support of the bill from the Department of Health (DOH), Honolulu Police Department, and the Hawaii Families and Friends of Schizophrenics. The Family Court, First Circuit, the Protection and Advocacy Agency of Hawaii, and the Mental Health Association in Hawaii expressed concerns with certain provisions of the bill.

Your Committee finds that there may be individuals whose behavior may suggest a serious mental disorder and are incapable of understanding the treatments available, however, they do not exhibit any dangerousness to property, to self, or to others. Your Committee believes that such individuals should receive care and treatment.

Your Committee has amended the bill in the following manner:

(1) Amend definition of "obviously ill". The DOH expressed concern that the definition depends on a prediction that the person's condition will deteriorate. Your Committee amended the definition to include that the person's current behavior and previous history indicates a substantial probability of serious mental or emotional illness;

(2) Allow the police officer to notify the mental health emergency workers designated by the director rather than specifying particular groups or teams;

(3) Reinsert the provision that a police officer take into custody a person who is threatening or attempting suicide; and

(4) Delete "gravely disabled" as a consideration for emergency hospitalization since it is not an emergency condition.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1831-86, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1831-86, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 760-86 Judiciary on S.B. No. 1646-86

The purpose of this bill is to amend section 142-74, Hawaii Revised Statutes, to make violations of this section subject to stiffer penalties imposed under section 142-12, HRS.

Under the present law, the owner of the dog pays trial costs in addition to a fine of ten dollars or imprisonment for thirty days if the fine is not paid.

A representative from the Board of Agriculture submitted testimony in favor of this bill. The testimony indicated that the damage to livestock by free roaming dogs has long been a problem. The testimony further indicated that the constant harassment by these dogs prevents cattle from adequately gaining weight while living under range conditions.

Your Committee amended the bill to clearly state that the dog owner would only be liable for damages if the dog goes onto private property without the consent of the owner of that property.

Your Committee further amended the bill to insert a phrase to clarify that the reference to "the owner" in the bill is to "the owner of the dog".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1646-86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1646-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 761-86 Judiciary on S.B. No. 1023

The purpose of this bill is to allow the victims of intentional harassment to petition the district court for temporary restraining orders and injunctions to prevent the continuation of such acts.

Presently, there is no civil statute that can be used to interrupt a course or pattern of intimidation which seriously disturbs the victim, but does not constitute a crime.

Your Committee received testimony in favor of this measure from the Victim/Witness Kokua Services, the Honolulu Police Department, and Ms. Shea Flanagan, a victim of intentional harassment.

The Judiciary submitted testimony indicating that they have no comment regarding the proposed policies of this bill because such policy matters lie within the province of the legislative branch.

The testimony of the Victim/Witness Kokua Services indicated that the establishment of restraining orders and injunctions which would be easily accessible to the average person suffering from harassment represents a significant development for such victims. Their testimony further indicated that the consequences of persistent harassment extends far beyond the immediate victim.

Ms. Flanagan's testimony indicated that she has been the victim of continuous harassment since 1979, and has been unable to legally stop these sometimes violent acts. She also testified that since the individual is not a former spouse, and not covered under chapter 586, HRS, obtaining an injunction is almost impossible.

Your Committee believes that while the magnitude of this problem is clearly

great, the potential legal solutions that are readily available are relatively few.

Your Committee has amended the bill to correct certain drafting and grammatical errors that do not affect its intent and purpose.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1023, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1023, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 762-86 Judiciary on S.B. No. 303

The purpose of this bill is to amend the requirements by which a political party qualifies and remains qualified to appear on the ballot in State elections.

The bill provides that a party may qualify by petition as well as by election result. The bill further provides that if a party qualifies through petition for three consecutive general elections, it will be deemed a political party for the following ten year period.

Your Committee heard testimony in support of the bill from the Lieutenant Governor and the Libertarian Party of Hawaii. The Libertarian Party testified that it is sometimes difficult to field a sufficient number of candidates to remain qualified as a party and further that the percentages of votes required to remain qualified is among the highest in the nation.

Your Committee finds that qualifying by petition is an acceptable alternative to qualifying by election results which is a continuous process.

Your Committee amended the bill to delete the provision that parties previously qualified under section 11-61, HRS, requalify after the bill is passed. Your Committee believes that parties presently qualified should not have to immediately requalify.

Your Committee further amended the bill to require that a party who qualifies by petition continue to field candidates for political office during the ten year period following qualification. Your Committee believes that the party must continue to field candidates in order to remain a viable party.

Your Committee also made certain technical, non-substantive amendments for style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 303, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 303, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 763-86 Judiciary on S.B. No. 8

The purpose of this bill is to give the Family Court the authority to order the name change of a minor in instances where one parent cannot be located and to allow a change of name by order or decree issued by a court in another state, the District of Columbia, Puerto Rico or any other territory or possession of the United States.

Your Committee heard testimony in support of the bill from the Family Court, First Circuit and the Department of Health (DOH). The Family Court testified that the provisions relating to Family Court jurisdiction should be amended to clarify the court's jurisdiction over this matter. The DOH also testified that the change of name should be limited to legitimate children.

Your Committee amended the bill to take into consideration the concerns of the Family Court and the DOH.

Your Committee was concerned with the efforts necessary to locate the other

parent and amended the bill to require that reasonable efforts be made to locate the other parent.

Your Committee further amended the bill by incorporating S.B. No. 2515-86, S.D. 1 into the bill. This change was made to prevent any problem in the event one bill is approved before the other since some of the same sections are being amended in both bills. Your Committee heard testimony in support of S.B. No. 2515-86, S.D. 1, from the DOH.

S.B. No. 2515-86, S.D. 1, would protect certain petitioners from change of name by providing that if the prosecuting attorney signs an affidavit, the name change will not be reported to the Registrar of Births. The bill also requires that change of names ordered by the Lieutenant Governor be recorded in the Bureau of Conveyances within sixty days after the signing of the order and deletes the requirement that the order be reported to the State Registrar if the person is born in Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 8, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 8, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 764-86 Judiciary on S.B. No. 2266-86

The purpose of this bill is to amend the implied consent law for motor vehicle drivers to include consent to a urine analysis, to test a driver for drugs, and to add a new offense of driving under the influence of drugs.

Under the present implied consent law, a person gives implied consent to a breath or blood test for the purpose of determining the alcohol content of the person's blood. In addition, a person commits the offense of driving under the influence of intoxicating liquor if the person operates a vehicle while under the influence of intoxicating liquor or with a blood alcohol content of .1 percent or greater.

The bill will amend the implied consent law to add an approved urine test to the breath and blood tests presently used under the law. The bill will also include that the tests determine drug content in addition to alcohol content. In addition, the bill adds a new offense of driving under the influence of drugs. The person will be guilty of said offense if the person operates or assumes physical control of the operation of a vehicle while the person's ability to drive is impaired by any drug or a combination of drugs or alcohol.

Your Committee heard testimony in support of the bill from the Office of the Prosecuting Attorney, City and County of Honolulu, Honolulu Police Department, Mothers Against Drunk Driving, Hawaii PTSA, Chemical People, and Rosemary Respicio.

Your Committee finds that the urine test will give the driver another option since under the implied consent law, the driver has a choice as to which test to take.

Your Committee further finds that driving under the influence of drugs may affect performance as adversely as driving under the influence of intoxicating liquor and that drivers who drink while under the influence of drugs should be prosecuted in the same manner. Your Committee believes that testing for drugs outweighs any concern over the lack of a standard such as the .1 percent for blood alcohol content for liquor.

Your Committee amended the bill by amending section 291-7, HRS, to provide for the offense of driving under the influence of drugs in the same manner as driving under the influence of intoxicating liquor under section 291-4, HRS. Your Committee also amended the bill to specify the drugs to be those drugs found under the Uniform Controlled Substances Act, Chapter 239, HRS.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2266-86, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2266-86, S.D. 2, H.D. 1, and

be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 765-86 Judiciary on S.B. No. 2258-86

The purpose of this bill is to amend the law relating to joint and several liability by limiting the joint liability of defendants to pay damages.

Under the present law, a defendant may be liable for damages in excess of the degree of negligence apportioned to the defendant if other defendants in the civil action are unable to pay their portion of the damages.

This bill is one of several bills relating to torts that was introduced this session to address the concern regarding the unavailability and unaffordability of liability insurance.

Your Committee heard conflicting testimony as to the effect of the bill. The Hawaii Association of Realtors, Chamber of Commerce, Hawaii Independent Insurance Agents Association, Hawaiian Electric Company, Hawaii Business League, Retail Liquor Dealers Association, Liquor Dispensers of Hawaii, Hawaii Food and Beverage Association, Hawaii Automotive and Retail Gasoline Dealers Association, Hawaii Medical Association, Hawaii Federation of Physicians and Dentists, Hospital Association of Hawaii, and Hawaii Insurers Council testified in general support of the bill, however, many testified that this bill does not go far enough toward relieving the "deep pocket" defendant from paying more than their share and suggested the bill be amended.

Your Committee also received testimony against the bill from the Asbestos Victims of America, Hawaii Coalition For Consumer Justice, ILWU Local 142, Hawaii Academy of Plaintiff's Attorneys, and several asbestos victims against the bill.

Also, testimony was presented at this hearing by the State Attorney General, the County of Hawaii, the City Council, City and County of Honolulu, the County of Kauai Corporation Counsel, the State Department of Health, the City and County of Honolulu Corporation Counsel and the Hawaii State Association of Counties asking for some limit to the joint and several liability for government entities. The state and counties testified that in many lawsuits where there are multiple defendants and the state or county is one of the defendants, the state or the county becomes the "deep pocket" when other defendants cannot pay.

Your Committee finds that the house bill passed by this Committee was a compromise to the views expressed by all the testifiers. Your Committee amended the bill by substituting the amendments proposed in H.B. No. 1692-86, H.D. 2.

Your Committee took into consideration the concerns of the state and counties and further amended the bill to provide a joint and several provisions applicable to the state and counties.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2258-86, S.D. 1, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2258-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 766-86 Judiciary on S.B. No. 2268-86

The purpose of this bill is to amend section 607, Hawaii Revised Statutes, to allow for the award of reasonable attorney's fees to any private party suing for injunctive relief against another private party who has been or is undertaking any development without obtaining the necessary permits and approvals for development.

The bill also provides a ninety (90) day period for parties that are in violation of a permit requirement to obtain the required permits or variances.

Your Committee received testimony in favor of this bill from the Department of Health, Life Of The Land, the Sierra Club, the Hawaii Audubon Society, Conserva-

tion Council For Hawaii, and Fred Paul Benco, attorney at law.

Your Committee finds that the high cost of civil procedure places a substantial burden upon the parties involved in these cases. However, the award of attorney's fees to the prevailing party in such a suit would discourage frivolous actions by a plaintiff and intentional abuses by a potential defendant.

Your Committee also finds that a deadline for receipt of after-the-fact permits is necessary to prevent situations where violators reapply for permits and continue their operations when permits are denied.

Your Committee further finds that if the bill is adopted, it will give fuller effect to Article XI, Section 9 of the State Constitution, which gives Hawaii's people the right to bring lawsuits enforcing environmental laws.

Your Committee feels that it may be difficult for a party to apply and obtain a permit within ninety (90) days after receiving notice of a violation. In addition, questions were raised concerning the party continuing work after receiving notice of the violation. Your Committee amended subsection (e)(4) by requiring the party undertaking the development to apply for the required permit within 30 days after receiving written notice of the violation and to cease work until the permit is issued.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2268-86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2268-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 767-86 Consumer Protection and Commerce on S.B. No. 2309-86
(Majority)

The purpose of this bill is to amend Chapter 46, Hawaii Revised Statutes, by adding a new section to authorize every county or city and county to protect the public health, safety and welfare by licensing, controlling and regulating by ordinance or resolution taxicab transportation service operated within the jurisdiction of the county or city and county.

Your Committee heard testimony from the Office of the Deputy Corporation Counsel of Maui County, Oahu Taxi Owners Association Inc., Waikiki Improvement Association and taxicab services from the Island of Maui in favor of the bill. The Waikiki Improvement Association, however, recommended that the bill be amended to provide for the regulation of "public passenger vehicles" as provided in Section 70-75, Hawaii Revised Statutes, relating to the authority of the City and County of Honolulu to regulate public passenger vehicles, rather than limiting the regulation to taxicab transportation service.

Your Committee, upon further consideration, has amended the bill by replacing "taxicab transportation" with "public passenger vehicle". Your Committee has also made nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2309, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2309-86, S.D. 1, H.D. 2.

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

SCRep. 768-86 Judiciary on S.B. No. 2295-86

The purpose of this bill is to protect members of a hospital's or clinic's quality assurance committee from civil liability in the same manner as peer review committee members are now protected.

Under current existing practice, care provided by a hospital is monitored by two committees: the peer review committee, which deals primarily with the conduct of physicians, and the hospital quality assurance committee, which considers all

aspects of patient care, employee performance, and safety.

Under the present law, peer review committees are protected from civil liability for acts done in furtherance of the purpose of the committee, but hospital and clinic quality assurance committees are not.

Your Committee finds that this measure would allow members of a hospital's or clinic's quality assurance committees to discharge their duties more effectively.

Your Committee has amended this bill by deleting section 1 of the bill. Your Committee believes it is not clear as to the quality assurance committee records and reports that would be protected from discovery in the event an injured party maintains a civil action against the hospital. Testimony indicated that some documents otherwise subject to discovery would be protected by this proposed amendment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2295-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2295-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 769-86 Transportation on S.B. No. 310

The purpose of this bill is to provide an exemption from Section 286-2, Hawaii Revised Statutes, dealing with reconstructed vehicles, for certain privately owned vehicles in counties with a population of less than 500,000 people.

Your Committee finds the present statute requires reconstructed vehicles to pass special inspections which are conducted by the appropriate county agency. This bill provides a specific exemption from these requirements for privately owned vehicles used substantially for charitable and recreational purposes in counties with a population of less than 500,000 people.

Your Committee received testimony from Alfred Santos of the Maui Contractor's Association and Herman Silva and Larry Mitchell who represented certain independent car clubs on Oahu favoring passage of the bill. The Department of Transportation testified in opposition to the bill as it could result in a non-uniform standard for the different counties. Your Committee also received testimony from the Department of Finance of the City and County of Honolulu supporting the intent of the bill but raising some concerns about the language of the bill with regards to the determination of whether a vehicle is being "used substantially for charitable or recreational purposes" as well as the uniformity problem between counties.

Your Committee has some concerns about the language of the bill and has amended the bill to satisfy some of the concerns of the parties by changing the existing language of the bill on page 2, by deleting the proposed language on lines 8 and 9, beginning with the word "which" and ending with the word "purposes".

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 310, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 310, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 770-86 Transportation and Consumer Protection and Commerce on
S.B. No. 1056

The purpose of this bill is to amend Chapter 263, Hawaii Revised Statutes, to provide for a presumption of liability for aircraft owners for damages to persons or property caused by the aircraft.

Your Committees find that present law imposes absolute liability on the owner of an aircraft, commercial or non-commercial, for damages caused to persons or property by their aircraft. This bill would change the language of the statute to provide for a presumption of liability in those types of situations.

Your Committees received testimony from the General Aviation Council requesting that the section imposing absolute liability on aircraft owners be deleted from the statute due to the financial burdens it places on all aircraft owners, regardless of whether the aircraft is used for commercial or non-commercial purposes. No testimony was received from the large commercial airline carriers.

Because no testimony was received from the large commercial airline carriers, your Committees did not want the change in the law to affect these commercial carriers. Your Committees have therefore amended the bill to allow the presumption of liability to apply to all aircraft owners except for commercial use operations by adding the phrase ", except the owner of every aircraft operated for commercial use is absolutely liable" on page 1, lines 5 and 6.

Your Committees have further amended the bill to include a definition of "commercial use" in Section 263-1, Hawaii Revised Statutes.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 1056, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1056, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Andrews, Apo, Bunda, Menor, Nakasato, Onouye, Yoshimura and Jones.

SCRep. 771-86 Transportation and Consumer Protection and Commerce on
S.B. No. 1727-86

The purpose of this bill is to amend Section 286-52, Hawaii Revised Statutes, to clarify the conditions under which the transferor is relieved of any liability upon the transfer of a motor vehicle.

Your Committees find that under present law, there is some difficulty in determining the exact time at which liability passes to the purchaser of the motor vehicle. This bill would specify that the date of the transfer of possession of the motor vehicle to the purchaser would be the date that liability would pass to the purchaser.

Your Committees received testimony from the Hawaii Automobile Dealers Association, the Department of Finance of the City and County of Honolulu, and the Department of the Prosecuting Attorney favoring the passage of the bill. The Department of the Prosecuting Attorney raised some concerns about situations where the notice of transfer form is submitted after the statutory 10 day period required by law.

Your Committees feel the language proposed by a similar bill, H.B. 1895-86, H.D. 1 would be more appropriate and have amended the bill to delete the proposed language in subsection (k), on page 1, lines 10 and 11 beginning with the word "from" and ending with the word "possession,"; and on line 12 of the same page, deleting the proposed word "otherwise". In place, your Committees will add a new subsection (m) dealing with the transferor's liability.

Your Committees have further amended this bill by including subsection (j) of Section 286-52, Hawaii Revised Statutes, and by adding a new phrase which would provide that if the transferor submits the notice of transfer form after the statutory 10 day period, then that person will be required to submit a notarized or attested statement to the Department of Finance as to the date of delivery of the motor vehicle to the purchaser.

Your Committees have also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 1727-86, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1727-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hirono, Yoshimura and Jones.

SCRep. 772-86 Finance on S.B. No. 1684-86

The purpose of this bill is to broaden the scope of the high technology development corporation's existing research and development fund to permit the deposit and expenditure of revenues generated by the Hawaii Ocean Science and Technology (HOST) park and any other projects which the corporation may undertake in the future.

Under present law, Section 206M-15, Hawaii Revised Statutes, the corporation presently has a high technology research and development fund for the purpose of funding high technology research projects, such as the HOST park. However, the present law limits revenues to legislative appropriations and private contributions, and it is vague in determining expenditures for projects deemed economically viable and beneficial to the State.

Your Committee has amended this bill by deleting references to lease rents and fees received by the development corporation and providing that such lease rents and fees shall be deposited into the general fund of the State.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1684-86, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1684-86, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 773-86 Finance on S.B. No. 383

The purpose of this bill is to exempt the special summer school fund from assessment for central services and administrative expenses as provided under Sections 36-27 and 36-30, Hawaii Revised Statutes.

Your Committee heard testimony from the Department of Education in support of this bill. The Department testified that the summer school program is voluntary and requires that tuition payment covers costs incurred. Due to the rising costs of salaries of school teachers and administrators, supplies, and other necessary services, tuition has steadily increased.

Your Committee finds that, although tuition waivers for summer school are granted based on financial need, a large majority of students who do not qualify for waivers find it increasingly difficult to pay the rising tuition. The assessments for central services and administrative expenses might necessitate an increase in tuition. This bill would assist the Department in maintaining the tuition at its current level.

Your Committee has amended this bill to provide that this Act shall take effect on July 1, 1986.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 383, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 383, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 774-86 Finance on S.B. No. 159

The purpose of this bill is to permit State agencies to enter into agreements with private parties for the installation of energy conserving or renewable energy production systems whereby the agency and the private party would share the energy cost savings.

Currently, State statutes do not provide for third-party financing. This bill would authorize and encourage such energy and money saving arrangements under the leadership of the Department of Accounting and General Services as the approving agency.

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

purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 159, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 159, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 775-86 Finance on S.B. No. 718 (Majority)

The purpose of this bill is to facilitate the development and utilization of the State's marine resources by ensuring the protection of property rights and by providing security of tenure for mariculture and ocean thermal energy conversion (OTEC) entrepreneurs as well as researchers through an orderly ocean leasing process that minimizes conflicts with traditional public uses of the offshore waters of this State.

Your Committee finds that research, development, and demonstration of viable energy, aquaculture, mariculture, and ocean technologies are progressing rapidly in this State. In addition, prospects for private commercial investment in OTEC and floating and submerged seafarming operations and related ocean resources are fast becoming a reality.

However, uncertainties regarding the jurisdictional aspects over the private use of the ocean have, to date, yet to be resolved. As long as this climate of uncertainty continues to exist, entrepreneurs will be deterred from investing in projects that will develop and utilize our ocean resources. Accordingly, your Committee finds that the establishment of guidelines and procedures for the granting of leases for commercial and noncommercial ocean activities within State marine waters and on submerged lands are a timely and appropriate means to address this concern.

Your Committee intends that adequate provisions be retained in this bill to protect the public interest. For example, for proposed marine activities requiring the lease of submerged lands as well as marine waters, this bill requires that an applicant must not only comply with certain requirements (i.e., the preparation of an acceptable environmental impact statement and the holding of a public hearing on the proposal) but must also comply with Section 171-53, Hawaii Revised Statutes, by obtaining the approval of the Governor and the authorization of the Legislature via concurrent resolution.

Your Committee has amended this bill as follows:

(1) The word "construction" on page 9, line 1, has been replaced by the word "conservation".

(2) The phrase "provided further that no lease shall be awarded within State marine waters designated necessary for national defense purposes, as determined by the Department in consultation with the appropriate federal agencies" has been added to page 9, line 4.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 718, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 718, S.D. 1, H.D. 2.

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

SCRep. 776-86 Finance on S.B. No. 970

The purpose of this bill is to authorize the Department of Hawaiian Home Lands (DHHL) to establish up to thirty additional permanent positions and to allow the DHHL to fill these positions with temporary exempt personnel now employed by DHHL.

Section 202(b) of the Hawaiian Homes Commission Act, 1920, as amended, autho-

rizes DHHL to hire contractual employees up to two years and to extend them up to six years.

According to DHHL testimony, additional permanent positions are needed to deal with present and future workload requirements. There are, in fact, trained and qualified temporary exempt personnel who provide critical services in DHHL's various programs. This bill would reduce costs in recruitment and training of new temporary exempt personnel to replace those already on DHHL staff who resign simply because they are temporary personnel. Moreover, there would be no impact on the state general funds in the conversion of temporary exempt employees to civil service status because all salary and fringe benefit costs of DHHL staff are paid from the Department's special funds.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 970, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 970, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 777-86 Finance on S.B. No. 1624-86

The purpose of this bill is to extend the method of adjusting public contract bids by adding the applicable retail rate of general excise tax and the applicable use tax to bids from tax-exempt vendors in determining the lowest bid.

Currently, only out-of-state vendors not doing business in Hawaii have their bids adjusted in this manner. This bill will allow tax-paying vendors to compete for public contracts on a more equitable basis with tax-exempt vendors.

The department of accounting and general services (DAGS) testified in support of this bill. The testimony indicated that, in bidding for public contracts, business firms are at a disadvantage because the state general excise tax is not applied to non-profit organizations.

DAGS maintained that this bill will correct the present inequity by adjusting the bid amount of a tax-exempt offeror by a sum equal to any general excise or use tax that would have been applicable if the bidder was a tax-paying entity. The adjustment is solely for bidding purposes and does not increase the contract price payable to a tax-exempt vendor if determined to be the lowest bidder.

Your Committee has made a technical, nonsubstantive amendment to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1624-86, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1624-86, H.D. 1.

Signed by all members of the Committee.

SCRep. 778-86 Finance on S.B. No. 2320-86

The purpose of this bill is twofold: (1) to enable the Department of Hawaiian Home Lands (DHHL) to use its credit, in the form of moneys due from DHHL borrowers, as collateral for borrowing from a financial institution; and (2) to authorize the DHHL to transfer certain loan funds into the Hawaiian Home Trust Fund to serve as cash guarantees or reserves for federal loan programs.

Many homestead lots awarded in fiscal year 1984-1985 have not been developed, and planned construction activities cannot proceed because of a lack of loan financing. The lack of DHHL funds for making loans and for building roads, drainage, utilities, and other infrastructural improvements on homestead lands hampers the ability of new lessees to build on their lands. DHHL should be allowed to obtain additional financing by using its loan accounts receivable (moneys owed by present borrowers) as collateral on loans from financial institutions. The loans made to DHHL would be backed up by moneys due the Department. These DHHL loans would then be made available to new lessees for home

construction, as well as for construction of infrastructure in homestead subdivisions.

Your Committee has made a technical, nonsubstantive amendment to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2320-86, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2320-86, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 779-86 Finance on S.B. No. 2303-86

The purpose of this bill is to establish statutorily a tourism impact management system which would, as its major function, continuously monitor the impact of tourism on Hawaii's economic, social, and physical environments.

Your Committee finds that a tourism impact management system is necessary to assist the State and its local government entities in evaluating proposed tourism-related projects in order to maintain the quality of life for Hawaii's residents, while other government agencies promote Hawaii as a unique and exotic visitor destination. The bill requires the Department of Planning and Economic Development to suggest and propose solutions to ameliorate or prevent the undesirable effects of tourism development. The long-term benefits of such a system would assist in developing a framework for comparing the social, economic, and environmental impacts of tourism-related projects and development.

Your Committee has amended section 3 of the bill by appropriating \$100,000 for the fiscal year 1986-87 instead of \$170,000.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2303-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2303-86, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 780-86 Finance on S.B. No. 2290-86

The purpose of this bill is to: (1) clarify which parties may file a petition for a public guardian; (2) determine who is eligible for public guardianship; and (3) require the public guardian give equal priority to permanent guardianships.

Under the present law, a petition for appointment of the public guardian may only be filed by the Office of the Public Guardian.

Your Committee finds that the proposals in this bill would redirect the present public guardianship program toward serving those who require permanent guardianship services, and would thereby result in an expansion of the present short term and emergency guardianship program.

Your Committee has amended this bill to correct a single technical error.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2290-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2290-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 781-86 Finance on S.B. No. 2173-86 (Majority)

The purpose of this bill is to: (1) include doctors of psychology among providers of medical care eligible to receive Medicaid reimbursement; (2) repeal the requirement for referral by a health care practitioner to a doctor of psychology for Medicaid reimbursement purposes; (3) provide that an independent determination of mental impairment be made by a psychologist, in addition to the evaluation by a psychiatrist; and (4) clarify that dentists, podiatrists, psychologists, osteopaths, and optometrists are not doctors of medicine.

Your Committee has amended this bill to make technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2173-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2173-86, S.D. 1, H.D. 2.

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

SCRep. 782-86 Finance on S.B. No. 1933-86

The purpose of this bill is to authorize the court to award reasonable attorney's fees to a small business, if the court finds that the action by the government agency was frivolous and wholly without merit. Conversely, the bill will also award reasonable attorney's fees to the government agency, if the court finds the small business's action was frivolous and wholly without merit.

The bill sets a maximum award of \$7,500 and provides a procedure for determining attorney's fees. The bill further provides that the attorney's fees will be payable by the agency only after a request has been approved by the Legislature. The amount of the attorney's fees must be included in the agency's budget request for the fiscal year following the award.

Your Committee finds that this bill will provide small businesses with some protection against unconscionable actions by government.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1933-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1933-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 783-86 Finance on S.B. No. 2050-86

The purpose of this bill is to appropriate funds for fiscal year 1986-1987 for salary increases and other cost adjustments for State and Judiciary civil service employees in the managerial compensation plan who are excluded from collective bargaining.

The directors of personnel services of the State and counties are currently studying a proposal to amend the current salary structure under section 77-13.1, Hawaii Revised Statutes, to achieve a more effective program of pay administration for managerial white collar positions not covered by collective bargaining. This bill would provide funding for the salary increases and other adjustments as may be necessary after the proposal and possible alternatives are considered.

Your Committee has amended this bill by adding a new section that reads as follows:

"Salary increases and cost adjustments provided in this Act shall be appropriated only upon the adoption by the directors of personnel of the State and the counties, after review and approval by the respective chief executives and the chief justice, by June 30, 1986, of amendments to the current salary structure under section 77-13.1, Hawaii Revised Statutes, that provide intervening steps in the salary ranges of civil service managerial employees excluded from collective bargaining which permit recognition for normal growth in the job and exceptional performance."

Your Committee has renumbered the sections in this bill to reflect the addition of the new section.

Your Committee has also made technical, nonsubstantive amendments to this bill for purposes of style and clarity.

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

No. 2050-86, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2050-86, H.D. 1.

Signed by all members of the Committee.

SCRep. 784-86 Finance on S.B. No. 2471-86

The purpose of this bill is to provide a State income tax credit for ice storage systems that are specifically designed to shift air-conditioning or commercial refrigeration loads to electric utilities off-peak demand periods.

This tax credit is equivalent to the credit granted for solar, wind energy, and heat pump energy saving devices.

Presently, a number of alternate energy projects and programs are underway to reduce Hawaii's dependence upon imported oil. However, because of the variance in the electric loads between daytime peak usage and early morning periods when electrical demand falls to forty per cent of utility capacity, utilities find that they may have to restrict delivery of alternate energy.

Ice storage systems would shift some of the daytime demand for electricity to the early morning hours when demand for electricity is low. This would not only allow utilities to shift demand to more efficient generating units, but would also allow them to meet some of the electrical load with alternate sources of energy during the early morning hours. This measure hopefully will benefit the State by reducing Hawaii's demand for and dependence upon imported oil as its primary source of energy.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2471-86, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2471-86, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 785-86 Finance on S.B. No. 2512-86

The purpose of this bill is to amend Chapter 279G, Hawaii Revised Statutes, by establishing a State policy encouraging ridesharing.

Testimony in support of this bill was presented by the Department of Transportation and the Department of Transportation Services of the City and County of Honolulu. The intent of the bill is to provide for the establishment of a State policy encouraging ridesharing. The department of transportation believes that ridesharing is a cost-effective way to maximize use of existing highway facilities and is one of the suggested mitigation measures for traffic congestion in central and leeward Oahu.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2512-86, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2512-86, H.D. 2.

Signed by all members of the Committee.

SCRep. 786-86 Finance on S.B. No. 2474-86

The purpose of this bill, as received, is to establish a children's advocacy program under the Department of Social Services and Housing (DSSH) to provide a more cooperative, coordinated, and less traumatic approach to the investigation of child sexual abuse.

Your Committee concurs with the findings and conclusions of the House Committee on Human Services as explained in House Stand. Com. Rep. No. 659-86.

Your Committee has made technical, nonsubstantive amendments to this bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2474-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2474-86, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 787-86 Finance on S.B. No. 2359-86

The purpose of this bill is to authorize the issuance of industrial development bonds not to exceed \$6,000,000 to assist Hawaiian Abalone Farms Limited Partnership.

These bonds would be to assist the expansion of Abalone Farms at the Natural Energy Laboratory of Hawaii and expand abalone production and sales.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2359-86, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2359-86, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 788-86 Finance on S.B. No. 431

The purpose of this bill is to allow certain beneficiaries of employees' retirement system members who selected option two or option three retirement allowance plans to receive the stated percentage of the total benefit, including a post-retirement allowance, if applicable.

This bill corrects an existing inequity in chapter 88, Hawaii Revised Statutes, by providing beneficiaries of options two or three with post-retirement allowances and bonuses, in addition to the stated percentage of benefits being received when the retiree died. The provision of post-retirement allowances to these beneficiaries puts them in parity with other option beneficiaries and helps minimize the impact of inflation which reduces purchasing power.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 431, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 431, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 789-86 Finance on S.B. No. 427

The purpose of this bill is to ensure sufficiently flexible employment opportunities to meet the varying needs of Hawaii's people through a two-year voluntary job-sharing pilot project to be conducted by the Department of Health (DOH) during the fiscal years 1986-87 and 1987-88. Nurses are the target group for whom the project is designed. Other key features of the pilot project include: 1) a maximum of 100 full-time permanent positions may be involved in job-sharing, with a majority of those positions allocated to neighbor island hospitals; 2) every work site shall be given an opportunity to participate; and 3) the legislative auditor is required to monitor and evaluate the pilot project and submit a report on its findings and recommendations to the Legislature prior to the 1989 Regular Session.

Your Committee finds that the job-sharing pilot project offers important potential benefits to the Department through additional opportunities for employee in-service training and education, recruitment of new employees, as well as an improved work environment.

Your Committee emphasizes that the intent of this bill is to provide a two-year job-sharing pilot project for only those regular employees of the Department of Health who are actually engaged in the nursing profession.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 427, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 427, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 790-86 Finance on S.B. No. 81

The purpose of this bill is to provide for definition and clarification of the responsibility of maintaining streams in order to protect the health, safety, and welfare of the people of Hawaii. In effect, the bill pinpoints the proper authority of stream and drainageway maintenance, by ownership, and makes this authority a statewide assignment.

Under present law, the neighbor island counties are responsible for maintaining all public channels, including those on state lands. For the city and county of Honolulu, its responsibility is restricted to only those streams owned by the city and for projects undertaken by the city. State responsibility was not specified, nor was any government agency specified to oversee or enforce maintenance requirements on private lands on Oahu.

Your Committee has amended this bill to address the concern that sections 2 and 3 of the bill may be in contravention of section 1 of Article VIII of the State Constitution. Section 1 of Article VIII of the State Constitution states, in part, that

"Each political subdivision shall have and exercise such powers as shall be conferred under general laws."

The concern expressed was that sections 2 and 3 of S.B. No. 81, S.D. 1, H.D. 1, would expressly affect only specific counties. According to a prior opinion by the Attorney General (see Attorney General Opinion No. 62-11), Article VIII, Section 1, of the Hawaii State Constitution precludes the application of substantive law to a county by name. The Attorney General opinion also stated the repeal or amendment of those provisions which were enacted before the Constitution was adopted and which specifically apply to a county by name (such as chapters 61 to 70, Hawaii Revised Statutes) would be unconstitutional; sections 2 and 3 of S.B. No. 81, S.D. 1, H.D. 1, amend chapters 62 and 70, respectively. The Attorney General has testified that S.B. No. 81, S.D. 1, H.D. 1, would not be in contravention of Section 1 of Article VIII of the Constitution; however, your Committee, in light of the possible violation of the Constitution, believes it more prudent to enumerate the responsibilities of the counties with respect to the maintenance of the drainageways as described in S.B. No. 81, S.D. 1, H.D. 1, under chapter 46, Hawaii Revised Statutes. Chapter 46 was the logical choice for your Committee because it embodies those provisions for county organization and administration that are applicable to the counties as a whole. Therefore, enumerating those responsibilities of the counties described in S.B. No. 81, S.D. 1, H.D. 1, under chapter 46, would further insure the bill's constitutional integrity.

Accordingly, your Committee has amended this bill by deleting sections 2 and 3 and adding a new section 2 that reads as follows:

SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§46- Maintenance of channels, streambeds, streambanks, and drainageways. Notwithstanding any law to the contrary, each county shall provide for the maintenance of channels, streambeds, streambanks, and drainageways, whether natural or artificial, including their exits to the ocean, in suitable condition to carry off storm waters; and for the removal from the channels, streambeds, streambanks, and drainageways and from the shores and beaches any debris

which is likely to create an unsanitary condition or otherwise become a public nuisance; provided that to the extent any of the foregoing work is a private responsibility the responsibility may be enforced by the county in lieu of the work being done at county expense, and any private entity or person refusing to comply with any final order issued by the county shall be in violation of this chapter and be liable for a civil penalty not to exceed \$500 for each day the violation continues; provided further that it shall be the responsibility of the county to maintain all channels, streambeds, streambanks, and drainageways unless such channels, streambeds, streambanks, and drainageways are privately owned or owned by the State, in which event such channels, streambeds, streambanks, and drainageways shall be maintained by their respective owners."

Your Committee has also amended this bill by:

- (1) expanding the maintenance responsibilities of the respective agencies to include "streambanks";
- (2) appropriately renumbering the sections of the bill; and
- (3) making technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 81, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third reading in the form attached hereto as S.B. No. 81, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 791-86 Finance on S.B. No. 425

The purpose of this bill is to permit the negotiation of the number of incremental steps and the length of service necessary for incremental and longevity step increases. Under present law these subjects may not be negotiated and are prohibited in any year in which a negotiated pay increase is effective, whether by statute or collective bargaining agreement.

Testimony indicated that, since increments were removed in 1976, public employees have been unable to move laterally on their respective salary schedules. Because employees are unable to move beyond the entry level step, they can never catch up to those employees on the higher steps. This inequity affects many employees in the bargaining units and lowers morale.

The ability to negotiate incremental and longevity steps will provide the means to address and resolve such inequities and improve morale, while also recognizing years of service. Moreover, it may provide an additional opportunity for both the employer and the exclusive representative to reach a contract agreement.

Your Committee concurs with the findings and conclusions of the House Committee on Public Employment and Government Operations as explained in Stand. Com. Rep. No. 666-86.

Your Committee has amended this bill to make a single technical, nonsubstantive amendment for purposes of statutory accuracy.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 425, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 425, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 792-86 Finance on S.B. No. 934

The purpose of this bill is (1) to appropriate \$225,000 to computerize the land court system; (2) to revise the appropriate sections of Chapter 501, Hawaii Revised Statutes, relating to land court registration, to implement a computerized system; (3) to increase the fees for registration of land court documents; (4) to eliminate land court procedures which are duplicative and cause unnecessary work; and (5) to codify present practices of the land court.

Your Committee heard testimony in favor of this measure from the Department of Land and Natural Resources (DLNR), the Judiciary, and from Norito Kawakami, former judge of the Land Court.

There is currently a seven-month delay in processing land court documents. In an effort to address this problem, various administrative actions have been taken, but none have achieved a substantial long-term reduction of the backlog. With the installation of the computer, DLNR projects that the processing time will be reduced to ten days. Moreover, the proposed system would eliminate the need for file cabinets by allowing microfilming of the over 50,000 plus documents received annually. Under the present filing system, however, the Department estimates that all available storage space will be used within two years.

New original documents, after microfilming, will then be returned to the individuals submitting the documents for recordation.

Your Committee has amended the bill by rewording Section 2 of the bill to read: "§501- Rules. The supreme court of the State of Hawaii shall adopt, amend, and repeal rules relating to the processing of land court documents and instruments."

Your Committee has further amended the bill by deleting "1985-86" on page 26, lines 5 and 17, and page 27, line 5, and inserting "1986-87".

Your Committee has also made technical, nonsubstantive amendments to this bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 934, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 934, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 793-86

Finance on S.B. No. 1886-86 (Majority)

The purpose of this bill is to impose a transient accommodations tax on the gross income derived from furnishing transient accommodations. The term "transient accommodations" is defined as the furnishing of a room, apartment, suite, or other living unit customarily occupied by transient occupants for less than sixty consecutive days.

The following are brief explanations of the effects of this bill:

(1) Adds a new chapter to the law to provide for the imposition of a five per cent tax on the gross income or gross proceeds derived from the furnishing of transient accommodations. Provides that the tax shall be assessed and collected each month and shall not be applicable to any person, corporation, or individual exempt from the general excise tax.

(2) Provides that "gross income" or "gross proceeds" shall be limited to the gross rental charged and collected for transient accommodations and shall not include any "pass-on" of the general excise tax, by providing that such taxes shall be deducted in the determination of "gross income" or "gross proceeds".

(3) Defines "director", "operator", and "transient accommodations" for purposes of the bill. Requires each hotel operator to obtain a certificate of registration upon application and payment of a \$1.00 registration fee to the Director of Taxation at least seven days before January 1, 1987. Provides for the suspension and revocation of the registration certificate, filing of tax returns, penalties and assessment for failure to file, overpayment, refunds, appeals, maintaining of books and records, administration, and enforcement.

(4) Provides that all sums received under this chapter during the first twelve months after the imposition of the tax shall be distributed as follows: (1) 20 per cent to the general fund for appropriation in an equitable proportion to the counties of Kauai, Maui, and Hawaii according to the proportionate share of revenues generated by each county to be used for parks infrastructure related to such transient accommodations; (2) three million dollars to the general fund to be used to contract for the services of the Hawaii Visitors Bureau; and (3) the remainder shall be deposited to the general fund as a State realization.

(5) Also makes conforming amendments to sections 231-3, -6, -12, -23, and -29, Hawaii Revised Statutes. Amends section 237-24, Hawaii Revised Statutes, to provide that the general excise tax shall not be applicable to the taxes imposed, passed on, and collected by operators holding certificates of registration and subject to the transient accommodations tax.

(6) Further amends section 237-34, Hawaii Revised Statutes, to delete the provision requiring the filing of general excise tax returns in the first taxation district if business is carried on in more than one taxation district.

(7) Appropriates \$1.00 of general funds for fiscal 1986-1987 for the purposes of this Act.

While in agreement with the intent of the bill to provide for a specific tax on the gross income derived from furnishing transient accommodations, your Committee believes that the proper vehicle for such a tax should be the existing general excise taxation scheme requiring thereby that all revenues received from the tax on transient accommodations be deposited in the state general fund. Accordingly, your Committee has amended S.B. No. 1886-86, S.D. 2, H.D. 1, as follows:

(1) All sections of the bill, except sections 10 and 11, have been deleted.

(2) A new section 1 has been added which amends section 237-13(6), Hawaii Revised Statutes, to provide that upon every person engaging or continuing within the State in any service business or calling which involves the actual furnishing of transient accommodations for consideration shall be levied an annual tax equal to nine per cent of the gross income derived from the furnishing of such transient accommodations. "Transient" means that the accommodations furnished to a person are being furnished to a person who does not have the intention of making such accommodations a permanent place of domicile. The tax on transient accommodations shall not apply to:

(A) Health care facilities including all such facilities enumerated in section 321-11(10).

(B) School dormitories of a public or private educational institution providing education in grades kindergarten through twelve, or of any institution of higher education.

(C) Lodging provided by nonprofit corporations or associations for religious, charitable, or educational purposes.

(D) Living accommodations for persons in the military on permanent duty assignment to Hawaii.

(E) Low-income renters receiving rental subsistence from the state or federal governments and whose rental periods are for durations shorter than sixty days.

(3) A new section 2 has been added which amends subsections 237-16(a), (b), and (e), Hawaii Revised Statutes, to provide that upon persons within the State engaging in the retail furnishing of transient accommodations shall be levied an annual tax equal to nine per cent of the gross proceeds of sale or gross income received. The definition of "transient" and the exemptions applicable to the transient accommodations tax under section 237-18(6), Hawaii Revised Statutes, as explained above, also apply to section 237-16.

(4) Sections 10 and 11 of the bill have been renumbered sections 3 and 4, respectively.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1886-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1886-86, S.D. 2, H.D. 2.

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

Hawaiian Home Lands (DHHL) homesteading program by distributing land to native Hawaiians through a homestead general leasing program.

According to testimony by DHHL, this bill will allow lessees greater flexibility in financing improvements on leased lands, in obtaining financing for off- and on-site infrastructure improvements, and in passing their leasehold interest to a surviving spouse or children or others. Under this bill DHHL lessees should be able to obtain mortgage financing from private-sector sources without impacting on the State's debt ceiling and limited availability of funds. Moreover, this bill would provide DHHL with flexibility in engaging developers and contractors in developing more tracts of Hawaiian homelands for homestead general lease awards to native Hawaiians.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1655-86, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1655-86, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 795-86 Finance on S.B. No. 1652-86

The purpose of this bill is to grant permanent civil service status to the position of director of the Hawaii criminal justice data center.

The Hawaii criminal justice data center (data center), previously known as the statistical analysis center, was originally placed within the Judiciary for administrative purposes and was dependent upon federal funds for its operations.

The data center was statutorily established as a permanent state agency in 1979 pursuant to passage of Act 129, Session Laws of Hawaii 1979. In 1981 the data center was transferred to the Department of the Attorney General for administrative purposes. Thereafter all other positions except that of the director were granted permanent civil service status.

Today, the data center's operations are totally funded by the State which makes it comparable to a division within a department. As an ongoing program of the State, the data center needs the continuity of service on the part of the director to ensure program progression and to minimize the effect of political influence in this area. Your Committee therefore finds that the placement of the director's position within the State's civil service system would accomplish these objectives.

Your Committee has amended this bill to make a single technical, nonsubstantive change for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1652-86, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1652-86, H.D. 2.

Signed by all members of the Committee.

SCRep. 796-86 Finance on S.B. No. 1961-86

The purpose of this bill is to expand provisions authorizing the Aloha Tower Development Corporation (ATDC) to issue revenue bonds to finance the entire Aloha Tower redevelopment project and to ensure that ATDC obtains the most favorable rates possible on the bond issues.

The bill expressly permits ATDC to finance harbor improvements and to manage facilities ancillary to maritime facilities, such as hotels, office space, and parking structures. The bill clarifies that ATDC can only lease property under its jurisdiction. It also provides that ATDC may issue a variety of tax-exempt bonds and receive rents and payments connected with such development.

The Aloha Tower project is an important redevelopment effort which can help revitalize the Honolulu downtown area, create jobs, improve our maritime facilities, establish a trade center, and provide greater accessibility of the Aloha

Tower site for public use. The revenue bonds which will be issued to finance the project will not cost the State any money since repayment would come through revenues generated by the project itself.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1961-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1961-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 797-86 Finance on S.B. No. 2166-86

The purpose of this bill is to establish in the State a public policy to achieve an equitable relationship between the value of work performed by state and county civil service employees and their salary or wage schedules.

The bill requires the Legislative Auditor to develop a request for proposal (RFP) for the requisite study which is to be sent to nationally prominent individuals and/or companies experienced in conducting job evaluation studies.

Your Committee considered written testimony from various community groups, the Hawaii Government Employees' Association, and the State Director of Personnel Services in support of this bill emphasizing the importance of conducting a study to determine whether pay inequity exists and whether a new proposed job evaluation system be adopted over the present system.

Further, your Committee found that the recommendations made by the State Department of Personnel Services and the Hawaii Government Employee's Association were similar in substance and recommended that both parties work out their differences and make recommendations to amend the bill accordingly.

Accordingly, your Committee has amended the bill requiring the consultant to submit an interim report or final report, if possible, to the Legislature no later than twenty days prior to the convening of the Regular Session of 1987 and, if necessary, a final report no later than twenty days prior to the convening of the Regular Session of 1988.

Your Committee has made several amendments to this bill. Among the more significant are the following:

- (1) To focus the study to all nonsupervisory and supervisory white collar and professional and scientific positions, including registered professional nurses.
- (2) A study be made of the existing system and laws that affect all civil service employees' compensation.
- (3) The employers shall provide a list of all male and female dominated classes within the state and county governments (70 per cent as a measure of dominance).
- (4) A study be made of female- and male-dominated classes which can be reasonably compared to determine if sex-based wage inequity exists.
- (5) If it appears that sex-based wage inequity exists, make recommendations for prospective corrective actions to the 1987 Legislature.
- (6) After completion of the study, the consultant will submit a report to the 1987 Legislature on its findings and, if it is found that sex-based wage differences exist, propose a job evaluation system that will assure the elimination of such inequity.

The Hawaii Government Employees' Association in its testimony stated that, upon passage of this bill, it will withdraw its suit now pending in court. Accordingly, your Committee further amended the bill by appropriating the sum of \$150,000 to carry out the purposes of this bill.

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

No. 2166-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2166-86, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 798-86 Finance on S.B. No. 2095-86

The purpose of this bill is to establish enterprise zones in Hawaii. The bill provides that enterprise zones are to be designated by the Governor as economically depressed areas in Hawaii and administered by the Department of Planning and Economic Development to create commercial activity in these areas through the use of certain business benefits, such as State tax credits, general excise tax exemptions, and local incentives.

There are currently no statutory provisions for the establishment of enterprise zones in Hawaii, and your Committee is in agreement that certain areas in the State should be designated as enterprise zones. It is the intent of this bill to increase economic activity in these areas to a significant level, while at the same time creating job opportunities for residents in those areas.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2095-86, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2095-86, H.D. 1.

Signed by all members of the Committee.

SCRep. 799-86 Finance on S.B. No. 2319-86

The purpose of this bill is to amend the Hawaiian Homes Commission Act, to authorize the Department of Hawaiian Home Lands (DHHL) to develop lands by contract and by agreements with developers. The bill specifies that this type of development would be for (1) homesteading purposes and (2) commercial purposes to generate income for the Department.

Section 171-60, Hawaii Revised Statutes, requires that the Board of Land and Natural Resources (BLNR) obtain the approval of the Governor and also legislative authorization through a concurrent resolution before BLNR may enter into an agreement with a private developer to develop or subdivide public lands as a leasehold project. According to DHHL testimony, the development of unimproved lands, with potential for income generation, through agreements with private developers is a prudent course because the Department does not have sufficient funds to finance major infrastructure and development activities.

This bill would require DHHL to follow procedures similar to those imposed by section 171-60, Hawaii Revised Statutes, except that DHHL would not be required to obtain approvals of the Governor and of the Legislature. The Department would therefore have alternative methods to achieve its objectives of homesteading in a timely manner, be more responsive to opportunities that arise, reduce outlay of capital from the State and the Department, and promote private-sector participation for the benefit of lessees. Moreover, this bill would provide DHHL with the same consideration given to the Hawaii Housing Authority and the Office of Hawaiian Affairs in the development of their lands and, without prior legislative authorization, to enter into agreements with private developers.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2319-86, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2319-86, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 800-86 Finance on S.B. No. 1651-86

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, overpayment of taxes, judgments against the State, settlements, and other miscellaneous claims.

Your Committee received testimony from the Department of the Attorney General and the Department of Taxation in support of this measure.

Your Committee has amended the bill to include three additional cases that have been settled or resolved by the Attorney General and to indicate which cases have the necessary documentation.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1651-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1651-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 801-86 Finance on S.B. No. 1998-86

The purpose of this bill is to include the African Development Bank and captive insurance companies with the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank with respect to the qualification of its securities for purchase by certain institutions regulated by the laws of this State.

Your Committee has amended this bill by substituting the word "shall" for "will" on page 18, line 15, of the bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1998-86, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1998-86, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 802-86 Finance on S.B. No. 1843-86

The purpose of the bill is to:

(1) Enhance the State's capability to obtain and enforce child support obligations and comply with federal requirements under Title IV, part D, of the Social Security Act. Title IV-D was amended substantially by the Child Support Amendments of 1984, Public Law No. 98-378, and this bill is intended to achieve full compliance within the mandated deadline.

(2) Establish mechanisms for the modification of child support and enforcement of visitation rights.

In order to comply with 45 CFR 205.100, the State's child support enforcement agency (CSEA) must be a single unified agency. This bill, as received from the House Committees on Human Services and Judiciary, unifies the CSEA under the Judiciary.

Your Committee concurs with the House Committees on Human Services and Judiciary that the Legislature must be cognizant of the fact that additional resources are needed to achieve effective child support enforcement in our State. Child support is a moral issue, in addition to a financial one, and enforcement is indisputably cost-effective to the taxpayers of our State.

Due to the possibility that placing the child support enforcement agency under the Judiciary may subject the agency to constitutional challenge, it is the intent of your Committee that CSEA be placed under the Department of Social Services and Housing. Your Committee has amended this bill to reflect this intent. Your Committee has further amended this bill by adding a new section to appropriate the sum of \$2,341,456 to effectuate and implement the procedures under the Department of Social Services and Housing which will bring the State into compliance with the federal statutory and regulatory requirements established under the authority of Title IV, part D, of the Social Security Act as amended by the

Child Support Amendments of 1984 (Public Law No. 98-378).

Your Committee has also amended section 1 of the bill to reflect the amendment made by the House Committees on Human Services and Judiciary with regards to the establishment of a special court trustee to assist any parent, guardian, or custodian materially affected by a court order or decree in approaching the court to modify any provision of the order or decree pertaining to support payments or to enforce visitation rights.

In addition, sections of the bill have been renumbered and various technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1843-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1843-86, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 803-86 Finance on S.B. No. 1773-86

The purpose of this bill is to increase the amount of the indirect overhead funds which are deposited into the University of Hawaii research and training revolving fund from thirty per cent of the total amount of indirect overhead funds generated by the University for research and training purposes in the prior fiscal year to fifty per cent of the first \$7 million. The bill also deletes the lapsing provision for this fund which was approved by the 1984 Legislature.

Your Committee concurs with the amendment made by your Committee on Higher Education and the Arts which deletes the provision calling for 100 per cent of all amounts in excess of \$7,000,000 to be deposited into the fund and agrees that 50 per cent of said funds is sufficient.

Your Committee has amended this bill to retain the lapsing provision for the research and training revolving fund.

Your Committee has also amended this bill to allow the Board of Regents flexibility in spending funds deposited into the revolving fund. Accordingly, subsections 304-8.1(a) and (c), Hawaii Revised Statutes, have been amended by deleting the phrase "upon approval of the Governor or the Director of Finance, if so delegated".

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1773-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1773-86, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 804-86 Finance on S.B. No. 52

The purpose of this bill is to expand the investment options available to the Board of Trustees, Employees Retirement System (ERS), under Chapter 88, Hawaii Revised Statutes.

Your Committee heard testimony from the ERS indicating the Board of Trustees is charged with the fiduciary responsibility of diversifying its investments. However, restrictive interpretations of Chapter 88, Hawaii Revised Statutes, by the Attorney General has limited the types of investments available to the ERS, thereby limiting investment opportunities.

Specifically, the bill: (1) authorizes the Board to invest in real property, including fee ownership in land or improvements, estates, leaseholds, easements, options and contracts, and mortgages secured by real property; and (2) expands the permitted investments in securities to include securities defined in section 485-1, Hawaii Revised Statutes, including interest rate and stock index futures contracts and options on such contracts.

Your Committee has amended this bill as follows:

- (1) The phrase "with full cognizance of its tax-exempt status," has been deleted from lines 19, 20 on page 10;
- (2) The definition of "Interests in improved or productive real property" on lines 2 through 9 of page 11 has been deleted;
- (3) Deleted "may" and substituted "shall" on line 14 of page 11.
- (4) Deleted "or separate portfolios invested solely" on line 19 of page 11.
- (5) Retained the ceiling on investments in securities at 10 per cent of the system's total assets; and
- (6) Technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 52, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 52, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 805-86 Finance on S.B. No. 774

The purpose of this bill is to provide that public employees, hired on a shortage category basis, shall have their salaries adjusted using the current rate of pay which includes the temporary shortage differential for purposes of overtime, standby, temporary hazard, or negotiated pay increases.

Testimony by the Hawaii Government Employees' Association (HGEA) indicated that section 77-9(c), Hawaii Revised Statutes, discriminates against employees hired under a shortage category. When an applicant is appointed to a position under "recruitment above the minimum" situations as provided for in section 77-9(a), Hawaii Revised Statutes, the employee's base pay rate is placed at the step that he or she was recruited. For example, if an employee was hired at the step G rate, all pay adjustments are computed at that rate.

In contrast to the "recruitment above the minimum" situation, employees hired under the shortage category provision do not receive an adjustment in their base pay rate (step B) even though they may have been recruited at step G of the salary range. Adjustments for overtime, standby, temporary hazard, or negotiated pay increases are therefore made to the employee's step B rate rather than the rate at which the employee was recruited. The conflict between section 77-9(a) and 77-9(c), Hawaii Revised Statutes, illustrates an inequitable application of the compensation law that warrants statutory change.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 774, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 774, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 806-86 Finance on S.B. No. 1762-86

The purpose of this bill is to promote the establishment and expansion of correctional industries by removing inhibiting statutory provisions, and by providing needed departmental flexibility.

Testimony in support of this bill was received from the Department of Social Services and Housing, the John Howard Association of Hawaii, and the National Association of Social Workers of Hawaii. They testified that the overall correctional industry program should be given the necessary flexibility to carry out the purpose of the bill.

The existing correctional industries program that was established in 1963 is no longer realistic today in view of the dramatic increase in prison population and the program it serves. A well-designed and administered correctional industries program has several potential benefits such as reducing idleness among inmates and providing them with practical occupational skills to promote effective re-integration into society and prevent recidivism. Moreover, there are financial benefits to the State, the inmate and his family, and his victim through restitution.

Your Committee has amended section 354-2, Hawaii Revised Statutes, by inserting the phrase "and local business firms dealing in correctional industrial enterprises" between the words "development," and "be" on page 1, line 6.

Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1762-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1762-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 807-86 Finance on S.B. No. 1718-86

The purpose of this bill is to compensate victims of certain crimes and providers of services under the Criminal Compensation Act and to provide appropriations to replenish the fund from which payment of awards has already been made.

Your Committee recognizes the value of this program to protect the State's residents and visitors, at least in part, from the consequences of criminal acts.

The fund has limited funds for immediate disbursement; however, in 1985, as in many other years, all of this money has been used to compensate 403 victims and providers who received \$489,112.09. The appropriation for both replenishing the fund and also providing payment to victims and providers is contained in this bill.

Your Committee has made technical, nonsubstantive amendments to this bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1718-86, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1718-86, H.D. 1.

Signed by all members of the Committee.

SCRep. 808-86 Finance on S.B. No. 2478-86

The purpose of this bill is to establish a child abuse and neglect discretionary emergency assistance program under the Department of Social Services and Housing.

The program allows the Department to make emergency assistance grants to families when an emergency situation which may cause child abuse or neglect arises or is imminent. Emergency assistance grants are to be used to eliminate or alleviate the emergency situation so that child abuse or neglect does not occur or removal of the child from the family is not required.

Your Committee concurs with the amendments made by the House Committee on Human Services as explained in House Stand. Com. Rep. No. 658-86.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2478-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2478-86, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 809-86 Finance on S.B. No. 1695-86

The purpose of this bill is to amend Chapter 455, Hawaii Revised Statutes, to strengthen the law on the practice of naturopathic medicine, to define and clarify terminology, to delete obsolete educational requirements and establish new examination requirements, to provide additional grounds for denial, revocation and suspension of a license, to provide grounds to refuse to renew or deny licensure, to clarify the appeal process, and to rearrange certain sections of the law.

Your Committee heard testimony in support of the bill from the Board of Medical Examiners, the Department of Health, the Board of Examiners in Naturopathy (Board), and the Hawaiian Society of Naturopathic Physicians. There was some consensus that the bill is consistent with the current scope of practice of naturopathy and provides the Board with the authority necessary to insure standards.

Your Committee has amended the definition of "Diagnosis" on page 6, lines 5 and 6 by inserting the phrase "including the taking of blood for diagnostic purposes" after the word "procedures".

Your Committee further amended the bill to delete the "and" on line 13 of page 9 and substituted "or".

Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1695-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1695-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 810-86 Finance on S.B. No. 1908-86

The purpose of this bill is to amend the Hawaii Revised Statutes by providing for legislative intent regarding agricultural parks, to establish broad authority of the Department of Agriculture to plan, develop, and manage agricultural parks; and to require the Board of Agriculture to adopt rules governing the agricultural park program. The bill further provides that agricultural park lands would be acquired by the department from the board of land and natural resources, through the Governor's set-aside powers.

The Department of Agriculture has already been providing planning, leadership, and guidance for the agricultural park program, and the Department should therefore assume full responsibility and accountability for the program.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1908-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1908-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 811-86 Finance on S.B. No. 2190-86

The purpose of this bill is to authorize the Hawaii Housing Authority to establish taxable mortgage securities programs.

Federal legislation threatens to curtail greatly the Hawaii Housing Authority's use of tax-exempt bonds to fund public programs. The federal guidelines would institute a volume aggregate cap and would put stricter income limits on prospective applicants.

This bill provides the Hawaii Housing Authority with another viable alternative to finance mortgage loans by the use of taxable securities.

Your Committee has made technical, nonsubstantive amendments to the bill for

purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2190-86, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2190-86, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 812-86 Finance on S.B. No. 1965-86

The purpose of this bill is to: (1) amend section 237-24, Hawaii Revised Statutes, to exempt amounts received by common paymasters which are disbursed as remuneration to employees of two or more related corporations on behalf of the related corporations; (2) add a new paragraph to section 237-24, Hawaii Revised Statutes, to exempt amounts received as dues by an unincorporated merchants' association from its membership for advertising media, promotional, and advertising costs for the promotion of the association for the benefit of its members as a whole and not for the benefit of an individual or group of members less than the entire membership; (3) split the transaction and the general excise tax on certain tourism-related services; (4) delete the provision presuming certain gross proceeds or gross income not to have been received by a tour provider from the general excise tax law; (5) require the Department of Taxation to submit certain rules to the Legislature by the 1987 regular session; and (6) amend the provision relating to reimbursements to provide that, when a reimbursement is made together with additional monetary consideration for the making of an advance, then such reimbursement shall not be exempt from the general excise tax.

Your Committee has amended this bill to be consistent with the applicable provisions of H.B. No. 2805-86, H.D.1. Accordingly, the following amendments have been made:

(1) The proposed amendments to section 237-18, Hawaii Revised Statutes, appearing to split the transaction and the general excise tax on certain tourism-related services have been deleted;

(2) The provisions in section 237-20, Hawaii Revised Statutes, clarifying the grossing-up of income of taxpayers furnishing tours and travel services, whereby only that income received by the provider of such services shall be deemed to be income has been retained;

(3) The proposed amendments to section 237-24, Hawaii Revised Statutes, have been deleted;

(4) Section 4 of the bill has been amended to delete the reference to section 237-18, Hawaii Revised Statutes;

(5) Section 6 of the bill has been amended to read: "This Act shall take effect upon its approval; provided that section 1 of this Act is retroactive and shall apply to payments of general excise taxes under chapter 237, Hawaii Revised Statutes, after June 30, 1985"; and

(6) Sections of the bill have been renumbered.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1965-86, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1965-86, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 813-86 Finance on S.B. No. 2468-86

The purpose of this bill is to establish a permanent job-sharing program in the public library system.

The Legislature established a pilot job-sharing project for the public library system in 1982. The Legislative Auditor in an evaluation report submitted in February 1986 recommends that the job-sharing option for library personnel be made permanent. Testimonies from the state librarian, Hawaii Government

Employees' Association, and several librarians indicate that the project has been a success. Your Committee finds these testaments to be persuasive and agrees that job-sharing in the public library system should be made permanent.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2468-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2468-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 814-86 Finance on S.B. No. 1743-86

The purpose of this bill, as received by your Committee, is to allow the Director of Finance to reallocate general obligation bond proceeds which are in excess of project requirements and to provide a designation that certain current capital improvement appropriations qualify for federal aid financing or reimbursement.

Your Committee has amended the purpose of this bill to appropriate money to allow the Department of Social Services and Housing to begin construction immediately to increase the bedspace available at the Oahu community correctional center and the Hawaii women's correctional facility, and minimize, if not avoid, the likelihood of the State being found in contempt of the consent decree entered in Spear v. Ariyoshi, Civil No. 84-1104 (U.S.D. Haw.), by amending Act 300, Session Laws of Hawaii 1985. Accordingly, sections 1, 2, 3, and 4 originally in the bill have been deleted. The following have been added to the bill:

SECTION 1. This Act is recommended by the Governor for immediate passage in accordance with Article VII, Section 9, of the Constitution of the State of Hawaii.

SECTION 2. The purpose of this Act is to appropriate money to allow the Department of Social Services and Housing to begin construction immediately to increase the bedspace available at the Oahu community correctional center and the Hawaii women's correctional facility, and minimize, if not avoid, the likelihood of the State being found in contempt of the consent decree entered in Spear v. Ariyoshi, Civil No. 84-1104 (U.S.D. Haw.), by amending Act 300, Session Laws of Hawaii 1985.

SECTION 3. Part IV, section 136, of Act 300, Session Laws of Hawaii 1985, is amended by adding to the authorized public safety capital improvement projects an additional capital improvement project at the Oahu community correctional center (SOC407) to read as follows:

"5A. CD8704 OCCC Keehi Annex Addition

PLAN, DESIGN, CONSTRUCT AND EQUIP A NEW INMATE
RESIDENCY FACILITY AT THE KEEHI ANNEX, OCCC

FY 1985-86

<u>PLANS</u>	<u>56</u>
<u>DESIGN</u>	<u>250</u>
<u>CONSTRUCTION</u>	<u>1,734</u>
<u>EQUIPMENT</u>	<u>1</u>
<u>TOTAL FUNDING</u>	<u>2,041C"</u>

SECTION 4. Part IV, section 136, of Act 300, Session Laws of Hawaii 1985, is amended by adding to the authorized public safety capital improvement projects a capital improvement project at the Hawaii women's correctional facility (SOC409) to read as follows:

"SOC409 - HAWAII WOMEN'S CORRECTIONAL FACILITY

5B. CD8705 WCCC CANOE HOUSE RENOVATION

RENOVATE CANOE HOUSE TO PROVIDE A RESIDENCY FACILITY
FOR INMATES AT THE HAWAII WOMEN'S CORRECTIONAL FACILITY
(WOMEN'S COMMUNITY CORRECTIONAL CENTER)

FY 1985-86

<u>PLANS</u>	<u>1</u>
<u>DESIGN</u>	<u>3</u>
<u>CONSTRUCTION</u>	<u>57</u>
<u>TOTAL FUNDING</u>	<u>63C"</u>

The consent decree entered into by the State and the American Civil Liberties Union in Spear v. Ariyoshi, Civil No. 84-1104 (U.S.D. Haw.), specifies residency levels and inmate populations which the Department of Social Services and Housing must adhere to at the Oahu community correctional center and the Hawaii women's correctional facility. The specified limits for the Oahu community correctional facility and the Hawaii women's correctional center are close to being exceeded at the present time. To minimize, if not avoid the possibility of having the State found in contempt of the consent decree for its failure to adhere to the specified residency levels, immediate construction to increase the bedspace at the two facilities is required.

Further, your Committee has amended this bill: (1) to add provisions to authorize the issuance of general obligation bonds and (2) to declare findings that the total amount of principal and interest estimated for such bonds and all bonds authorized but unissued and calculated for all bonds issued and outstanding will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has also amended this bill to correct a statutory revision error.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1743-86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1743-86, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 815-86 Finance on S.B. No. 2312-86

The purpose of this bill is to:

(1) Amend section 235-2.4(j), Hawaii Revised Statutes, to increase the tax imposed on net passive income from 6.435 per cent to 7 per cent of the amount of net passive income for taxable years beginning after June 30, 1986;

(2) Amend section 235-71, Hawaii Revised Statutes, to amend the corporate tax rates to provide that effective for tax years beginning after June 30, 1986:

<u>If taxable income is:</u>	<u>The tax is:</u>
Under \$25,000	2%
\$25,000 to \$100,000	5% over \$24,999.99
\$100,000 and over	7% over \$99,999.99;

(3) Replace the existing excise tax credit schedule under section 235-55.5, Hawaii Revised Statutes, with a new schedule based on modified adjusted gross income (MAGI) effective for tax years beginning after December 31, 1985;

(4) Define "modified adjusted gross income" to include "adjusted gross income" plus income not otherwise included in income such as: unemployment and workers' compensation; interest on tax-free securities; welfare; individual housing account, individual retirement account and Keogh plan deductions; social security benefits, pensions and annuities, life insurance proceeds, capital gain exclusions, and excluded dividends;

(5) Repeal section 235-110.5, Hawaii Revised Statutes, tax credits to discourage the sale of dangerous items, effective for taxable years after December 31, 1985;

(6) Add a new section to exempt the sales of "capital goods" to licensees under the general excise tax or to persons subject to chapters 239 or 241 or section 431-318, Hawaii Revised Statutes, provided such goods are used in the business for which the purchaser is licensed or taxed. The exemption is to be phased in as follows: 3 per cent for calendar 1987; 2 per cent for calendar 1988; and 1 per cent for calendar 1989 and exempt thereafter;

(7) Amend sections 237-1 and 238-1, Hawaii Revised Statutes, to define "capital goods" as tangible personal property which may be depreciated under section 167 or 168 of the Internal Revenue Code;

(8) Amend section 237-13, Hawaii Revised Statutes, to provide that the general excise tax rate on lessors of real property shall be 4 per cent of the gross lease income; provided, where property is subleased, there shall be a tax of 4 per cent levied on the gross income received by the last sublessor and a tax on all prior sublessors equal to: 3 per cent of the gross lease income received by all such prior lessors for calendar 1987; 2 per cent for calendar 1988; 1 per cent for calendar 1989, and 0.5 per cent thereafter;

(9) Amend sections 237-13 and 237-24, Hawaii Revised Statutes, to exempt amounts received by licensees from the sale of tangible personal property shipped or transported out of state for sale in interstate or foreign commerce, whether in finished or unfinished condition, and whether or not sold or the title is transferred at the time they enter interstate or foreign commerce including property sold for delivery out of state;

(10) Provide that tangible personal property does not include the "tangible by-products of services" but includes computer software, custom computer software, and storage media used for such programs. Defines "computer software", "custom computer software", and "storage media" for purposes of the measure;

(11) Amend section 237-24, Hawaii Revised Statutes, to exempt the sale of prescription drugs after June 30, 1986, and specify that prescription drugs are those prescribed by a practitioner licensed to administer the drugs and dispensed and sold by a pharmacist licensed under section 328-16, Hawaii Revised Statutes;

(12) Amend section 237-26(b), Hawaii Revised Statutes, by updating the definition of scientific facilities which shall be exempt from the general excise tax;

(13) Amend sections 237-13 and 237-25, Hawaii Revised Statutes, by repealing the exclusion from gross income provided for federal cost-plus contractors and providing that all amounts received by contractors with respect to sales to the federal government shall be exempt;

(14) Amend section 237-28.1, Hawaii Revised Statutes, by extending the exemption of gross proceeds received from shipbuilding or ship repair to surface vessels operated for a "commercial purpose" out of any harbor in the State. Define "commercial purposes" for the purpose of the bill;

(15) Repeal section 237-28, Hawaii Revised Statutes, to repeal the general excise tax exemption provided for the manufacture of pulp and paper; and

(16) Provide that sections of this measure pertaining to the general excise tax shall be applicable to the gross proceeds or gross income arising after December 31, 1986.

Your Committee has amended this bill to retain only the provision affecting section 237-24, Hawaii Revised Statutes, exempting the sale of prescription drugs under the general excise tax. This provision has been modified and expanded to include prosthetic devices and reads as follows:

"(23) Amounts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer the drug to an individual for furnishing prescription drugs or prosthetic devices to an individual. As used in this section:

(A) "Prescription drugs" are those drugs required to be prescribed by a practitioner licensed to administer the drug and which are dispensed and sold by a licensed pharmacist under section 328-16.

(B) "Prosthetic device" means any artificial device or appliance used

to replace a missing part of the human body prescribed by a licensed practitioner of medicine, osteopathy, or podiatry; provided that "prosthetic device" shall not mean any auditory, ophthalmic, or ocular device or appliance."

Your Committee has also amended this bill by:

- (1) Providing an effective date of July 1, 1986;
- (2) Renumbering the sections of the bill; and
- (3) Making a technical, nonsubstantive change for statutory accuracy.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2312-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2312-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 816-86 Finance on S.B. No. 2308-86

The purpose of this bill is to:

(1) amend section 244D-1, Hawaii Revised Statutes, by substituting new definitions of "alcohol", "beer", "dealer", "distilled spirits", "gallon or wine gallon", "licensed premises", "liquor", "liquor commission", "liquor law", "permittee", "person", "sale", "sparkling wine", "still wine", "use", and "wine";

(2) amend section 244D-4, Hawaii Revised Statutes, by deleting the twenty per cent excise tax on the wholesale price of liquor and imposing a gallonage liquor tax to be paid by dealers as follows:

Beer	\$.81 per wine gallon
Sparkling Wine	\$2.00 per wine gallon
Still Wine	\$1.30 per wine gallon
Distilled Spirits	\$5.20 per wine gallon;

(3) amend sections 244D-6 and -9, Hawaii Revised Statutes, to delineate the recordkeeping requirements of liquor sold;

(4) amend sections 244D-3 and -10, Hawaii Revised Statutes, to provide that the county liquor commissions shall assist in the enforcement of this law; provided that the authority granted to the commission shall not extend to the inspection of any documents not directly related to this chapter;

(5) amend section 244D-4(a)(3), Hawaii Revised Statutes, by deleting the limitation that the tax shall not apply to liquor which is neither delivered nor to be used in the State and concurrently repeals the reference in section 237-25, Hawaii Revised Statutes;

(6) repeal section 244D-5, Hawaii Revised Statutes, which allows a dealer to state the amount of the liquor tax separately from the price;

(7) add a new section to chapter 244D, Hawaii Revised Statutes, to require the Department of Taxation to study and analyze the effects of this Act; and provides that the report shall be submitted annually at least 10 days before the convening of the 1987 and 1988 legislative sessions and shall submit recommendations or legislation as necessary;

(8) add a new section to chapter 281, Hawaii Revised Statutes, to require Hawaii wholesalers to report to the liquor commission on all direct and indirect sales and shipments including those provided to any federal enclave;

(9) amend section 281-3, Hawaii Revised Statutes, to specify that liquor imported into the State must be unloaded into a warehouse and be held in that warehouse for at least 48 hours before it can be further sold by a wholesaler; and

(10) make various other amendments to the liquor law (chapter 201, Hawaii

Revised Statutes) for the enforcement, licensure, and payment of the tax.

Your Committee has amended this bill to provide that a gallonage tax shall be levied on the sale of liquor in the State in addition to the present ad valorem tax. Therefore, section 4 of S.B. No. 2308-86, S.D. 1, has been amended by adding a new paragraph, designated subsection (b), to section 244D-4, Hawaii Revised Statutes, that reads as follows:

"(b) Every person who sells or uses any liquor not taxable under this chapter, in respect of the transaction by which such person or his vendor acquired such liquor, shall pay an excise tax which is hereby imposed:

- (1) On distilled spirits, \$5.20 per wine gallon;
- (2) On sparkling wine, \$2.00 per wine gallon;
- (3) On still wine, \$1.30 per wine gallon;
- (4) On beer, \$.81 per wine gallon;

and at a proportionate rate for any other quantity so sold or used."

Accordingly, the following additional amendments have been made to section 244D-4, Hawaii Revised Statutes:

(1) The title has been amended to read "Ad valorem and gallonage tax; limitations";

(2) Paragraph (2) of section 244D-4, Hawaii Revised Statutes, has been designated subsection (c); and

(3) "Tax" in paragraph (2) of section 244D-4 has been defined to mean "taxes levied pursuant to subsections 244D-4(a) and (b)".

Your Committee has further amended section 1 of S.B. No. 2308-86, S.D. 1, to read as follows:

The purpose of this Act is to amend chapter 244D, Hawaii Revised Statutes, to impose a gallonage tax on the sale of liquor in this State in addition to the present ad valorem tax.

Your Committee has also made technical, nonsubstantive amendments to the bill for purposes of clarity and statutory accuracy.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2308-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2308-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 817-86

Finance on S.B. No. 495 (Majority)

The purpose of this bill is to authorize the establishment of a state-operated lottery system that will provide a new source of revenue for the State. The net revenues from the lottery would be appropriated by the Legislature for the benefit of senior citizens.

Your Committee has received testimony from a number of law enforcement agencies and religious organizations, many of whom testified on the moral and crime-related issues associated with legalized gambling.

While in agreement with the intent of the bill to provide a new source of revenue for the State, your Committee believes that the bill should be amended and strengthened to insure honesty, integrity, and fairness in the operation of a lottery system. Accordingly, your Committee has made major amendments to S.B. No. 495, S.D. 1. The following are examples of the amendments made by your Committee:

(1) The section on definitions in the bill has been broadened to define more clearly its scope and extent.

(2) The qualifications of the commissioners have been made more stringent to insure that they are sufficiently qualified and knowledgeable; e.g., the lottery director shall be appointed by the governor with the advice and consent of the

senate and, in the case of the commissioners and director, anyone who has been convicted of a criminal offense under the Hawaii Penal Code shall not be hired.

(3) All revenues, net of prizes and lottery administration expenses shall be deposited in the general fund.

(4) All meetings and records of the commission shall be open to the public in accordance with chapter 92, Hawaii Revised Statutes, and all decisions of the commission shall require a majority approval by the commissioners.

(5) Independent audits of lottery finances and lottery security shall be required.

(6) Rules governing the operation of a lottery shall be adopted pursuant to chapter 91.

(7) The salary of the lottery director shall be \$1 instead of \$37,500 a year.

Your Committee has also made numerous other amendments to this bill to clarify and hopefully facilitate the administrative aspects of the state lottery established by the amended version of this bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 495, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 495, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Kihano, Leong, Nakata and Isbell did not concur.)

SCRep. 818-86 Finance on S.B. No. 2048-86

The purpose of this bill is to provide funds for capital improvement projects throughout the State.

This bill in its amended form, appropriates an additional \$12,702,000 in general obligation bonds for capital improvement projects. The authorization for bonds necessary to fund the projects contained in this bill is accounted for in the bond declaration bill. Furthermore, the addition of these projects will not cause the debt limit to be exceeded.

Your Committee has further amended this bill by adding new sections which lapse partially or in entirety, capital improvement projects made by Act 283, Session Laws of Hawaii 1983; Act 287, Session Laws of Hawaii 1984; Act 286, Session Laws of Hawaii 1984 and Act 285, Session Laws of Hawaii 1984. These projects have been identified by State agencies as nonfeasible projects in light of the lapsing date. These lapsed projects will not have an adverse impact on the planned capital improvement program.

After close scrutiny, your Committee believes that the projects contained herein reflect the Legislature's intent to appropriate funds where needed most which will work for the benefit of and contribute to the lives of the general populace of the State of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2048-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2048-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 819-86 Finance on S.B. No. 1800-86

The purposes of this bill are: (1) to create a position for a state fire council administrator responsible for the administrative functions of the State fire council (council); (2) to provide staff support for the council through the fire department of the City and County of Honolulu (Honolulu Fire Department); (3) to statutorily designate the Fire Chief of the City and County of Honolulu as the chairperson of the council; and (4) to appropriate funds for the operating

expenses of the council.

Since the operation of the council requires administration by a person experienced in fire prevention, fire codes, and building codes, and since the support staff for the new position will be provided by the Honolulu Fire Department, this bill would provide for a council administrator who is required to be a member of the Honolulu Fire Department.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1800-86, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 820-86 Finance on S.B. No. 1960-86

The purpose of this bill is to amend Act 121, Session Laws of Hawaii 1985, to increase the revenue bond authorization from \$33,260,000 to \$200,000,000 in order to finance redevelopment of the Aloha Tower Complex.

Act 121 last year authorized the Aloha Tower Development Corporation to issue revenue bonds for the public participation portion of the redevelopment project. This bill would increase the \$33,260,000 authorized in Act 121 to \$200,000,000.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1960, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 821-86 Finance on S.B. No. 2315-86

The purpose of this bill is to clarify the authority of the State risk manager to settle and pay no-fault claims arising out of the operation of State vehicles that are self-insured. This bill would also allow the State to continue operating as self-insured under no-fault laws in order to minimize the expense of owning and operating vehicles.

Since the State initiated self-insurance for State-owned or operated vehicles, questions have been raised concerning the risk manager's authority to settle and pay no-fault claims in light of the provisions of Section 662-11, Hawaii Revised Statutes, which provides that the Attorney General may arbitrate claims against the State. This bill provides that the risk manager is authorized to settle and pay those claims.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2315-86, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 822-86 Finance on S.B. No. 2277-86

The purpose of this bill is to establish a process by which the desirability or undesirability of sterilization for an adult ward can be determined. The bill establishes a reproductive rights committee, to be appointed by the Governor, to review and make recommendations to the court on all petitions for sterilization.

Your Committee believes that adult wards at present are very vulnerable to abuse in the matter of reproductive rights. Additionally, even if sterilization were appropriate, there exists no legal authority for the State to authorize the procedure. This bill addresses both concerns and ensures that the ward is involved in the process. The reproductive rights committee is required to investigate and determine whether the ward is capable of giving informed assent and, if not, to determine whether sterilization is in the best interests of the ward.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2277-86, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 823-86 Finance on S.B. No. 1188

The purpose of this bill is to permit the Department of Health to assume responsibility for administering a maternal and child health program in order to reduce infant and maternal mortality and to promote the health of mothers and children.

Your Committee has amended this bill by completely revising its purpose as follows: to limit free tuberculosis examinations by the Department of Health to those required for tuberculosis control and to establish the authority of the Department to order examinations of individuals suspected of having tuberculosis.

In the past, mass x-ray screening was believed to be an effective means to help control the disease; however, many people have been regularly requesting free x-rays which are inappropriate for tuberculosis control, at the expense of personnel and other resources which may be better utilized in other ways. In addition, the Department currently lacks the authority to require further examinations of suspected tuberculosis carriers.

This bill, as amended, will grant the Department the authority to limit the number of free tuberculin tests to those tests which are appropriate for control purposes. It would also allow the department to obtain court orders for examination of suspected tuberculosis carriers who do not voluntarily accept recommendations for examinations.

Section 325-76, Hawaii Revised Statutes, has been amended to reflect the amended purpose of S.B. No. 1188.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1188, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1188, H.D. 1.

Signed by all members of the Committee.

SCRep. 824-86 Finance on S.B. No. 1780-86

The purpose of this bill is to provide the University of Hawaii with greater flexibility in budgeting and expending appropriations. Specifically, this bill would allow budget requests and expenditures of appropriations to be made according to the University's own priorities as long as they are within the budget and allotment ceilings established by the Governor.

This bill will provide the administrative flexibility necessary to manage Hawaii's complex higher education system in a manner that is responsive to program needs, changing situations, and unforeseen problems or opportunities. Utilizing this legislation, the Board of Regents and the University administration can better accomplish their mission of providing higher education of superior quality.

Your Committee recognizes that implementation of effective public programs require more than funding. Equally, if not more important than the amount of funding itself, is the authority to budget and expend according to the University's own priorities. And in this regard, the transfer authority is perhaps the most significant provision of this bill. It is believed that the flexibility afforded the University would provide timely and appropriate responses to higher education's changing needs and situations. Such flexibility and authority do not, however, remove accountability. The University would still be subject to the appropriation powers of the Legislature which will continue reviewing and, when deemed necessary, modifying the budget requests of the University. Your Committee explicitly states that this bill does not preclude the Legislature from making appropriations to the University below or above the budget ceilings established by the Governor.

Moreover, this bill contains significant limitations on the transfer authority which will ensure the following of legislative budgetary directions. Most of the provisions of this bill have been implemented administratively in recent years by the current Governor. And while increased flexibility for the University is a worthy goal, your Committee is concerned that the University may not be capable of handling its own affairs based upon past performance. However, in view of the University's strategic plan, the appointment of a new President, and the administrative reorganization, your Committee is willing to give the University

more responsibility and the opportunity to demonstrate its capabilities.

Your Committee has made amendments to provide the Department of Education with the same flexibility in the budgetary process and in the expenditure of appropriations accorded to the University by this bill. A review of the State's program structure indicates that programs in the Department of Education and the University are grouped together under the title of formal education. The grouping of programs with common objectives, as in this case, presents an opportunity to promote quality formal educational programs at various levels. Therefore, it is the intent of your Committee that the same rationale for granting the University administrative flexibility should apply to the Department of Education in order to generate consistency in the implementation of the program objectives of formal education which necessitates a systematic analysis of programs in the pursuit of those objectives. Accordingly, your Committee has amended the bill to reflect this intent. Consistency in the implementation of program objectives improves the decision-making process for those responsible for the budgetary process.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1780-86, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1780-86, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 825-86 Finance on S.B. No. 564

The purpose of this bill is to regulate the water resources of the State of Hawaii for the benefit of its people.

Article XI, Section 7, of the Hawaii State Constitution adopted in 1978 requires that:

"The Legislature shall provide for a water resources agency which, as provided by law, shall set overall water conservation, quality and use policies; define beneficial and reasonable uses; protect ground and surface water resources, watersheds and natural stream environments; establish criteria for water use priorities while assuring appurtenant rights and existing correlative and riparian uses; and establish procedures for regulating all uses of Hawaii's water resources."

In attempting to define the intention of the Constitutional Convention, your Committee finds that, consistent with Standing Committee Report No. 77, it was not the intention of the Convention "to interfere with the water rights of private property owners using water as defined by law, but merely to subject such rights to reasonable regulation...."

Further, in its Committee of the Whole Report No. 18, the Constitutional Convention indicated that "it was never intended that the proposal confront the question of ownership of water resources because that is more appropriately a matter for the courts". Moreover, the Committee of the Whole stated that "since appurtenant rights and existing correlative and riparian uses are assured, it would not be warranted to restrict the water resource agency to regulating only new uses of water..." but to avoid any water supply crisis, "the agency should have the flexibility to regulate existing as well as future usage of Hawaii's water resources...."

The Legislature, in Act 170, Session Laws of Hawaii 1982, directed that:

"The basic function of the water code is to recognize, clarify, and systematize legal concepts relating to water resources. The water code shall include only fundamental matters of policy, principles, and rights that have continuous application and will not require or be subject to frequent amendment."

Your Committee received voluminous testimony concerning S.B. No. 564, S.D. 2, H.D. 1. Your Committee, recognizing the directions of the Constitutional Convention and considering the testimony received, amended this bill to address concerns that were raised while following the intentions of the Constitutional Convention and the intentions of your Committee on Water, Land Use, Develop-

ment and Hawaiian Affairs as stated in Standing Committee Report No. 688-86.

Your Committee received testimony pertaining to native Hawaiian rights and amended the section on native Hawaiian law and water rights to further specify that nothing in this chapter shall diminish or extinguish the revenues derived from water licenses that are to be deposited in the Hawaiian home loan fund and in funds expended by the office of Hawaiian affairs.

For clarification purposes, your Committee amended the definition of "Authorized planned use" from: "Authorized planned use" means the quantity of water that is required by a development that has received the required approval from the appropriate county, to: "Authorized planned use" means the use or projected use of water by a development that has received the required approval from the appropriate county. Further, the definition of "Shortage" was incorporated into the definition of "Emergency".

The original purpose of the certificate of use and water use rights sections was to record and monitor all water use on a statewide basis. Your Committee was informed that if a right to use water has been adjudicated or is a right conferred by a document to quiet land titles, the instrument conferring such a right may presently be recorded at the Bureau of Conveyances. Your Committee has therefore deleted those sections and provided more specifically for the reporting of water use.

Your Committee also deleted the definitions of and references to "certificate of use" and "designated agency" to conform to the deletion of the certificate of use section.

Testimony was received pertaining to S.B. No. 1506-86, relating to instream uses. Your Committee incorporated the provisions of S.B. No. 1506-86 to reflect the concerns raised.

Your Committee also reviewed an opinion from the Attorney General that states in pertinent part as follows: "although the Department of Land and Natural Resources is a 'competing user of water' it is not precluded from being designated as the water resources agency and...the statutory transfer of the three irrigation projects, Molokai irrigation system, Lalamilo irrigation system and Waimanalo irrigation system, from the Department of Land and Natural Resources to another State agency would clearly qualify the Land Department as a candidate for the role of water resources agency." Your Committee therefore limited transfer of responsibilities pertaining to water from the Department of Land and Natural Resources to the Department of Health, for water quality, and to the Department of Agriculture, for operation of the irrigation projects.

Further amendments to this bill include:

- (1) The appropriation of \$1.00 to carry out the purposes of the bill.
- (2) The addition of a severability provision section.
- (3) An effective date of July 1, 1987.
- (4) A provision stating that no provision in this bill shall be considered to be a mandate under Article VIII, Section 5 of the State Constitution, for a political subdivision to undertake new programs or to increase the level of services under existing programs of that political subdivision.

Your Committee reorganized the bill and made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 564, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 564, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 826-86

Finance on S.B. No. 2127-86

The purpose of this bill as received by your Committee is to provide the superintendent of education the authority to consolidate the administration of any

school as a cost effectiveness measure after reviewing the level of the school's enrollment and the availability of funds.

Your Committee has amended the purpose of this bill to:

(1) Amend chapter 40, Hawaii Revised Statutes, to allow the University of Hawaii and the Department of Education to assume authority and responsibility for all matters relating to the acquisition of goods and services, pre-audit of payments, payroll, disbursing, fund accounting, and business and accounting forms.

(2) Provide the Board of Regents of the University of Hawaii and the Board of Education with the authorization to approve certain exceptions to statutory competitive bidding requirements.

(3) Provide that the Legislative Auditor shall conduct a review of the University of Hawaii and the Department of Education in order to assess and evaluate any impact of the provisions of this bill, as amended, on the quality and effectiveness of the instruction, organized research, public service, academic support, student services, and institutional support program areas, as applicable, at the University and the Department of Education. This review shall be conducted in three phases with initial reports to the Legislature during the first week of its 1987 regular session. Each report shall include an inventory and assessment of the conditions of the University and the Department of Education prior to implementation of this bill; interim reports to the Legislature during the first week of its 1988 regular session evaluating progress made and identifying problems encountered to date within any or all of the six program areas; and final reports to the legislature during the first week of its 1989 regular session with overall evaluations and final recommendations, including recommended drafts of legislation, on continuation of the provisions of this bill.

(4) Include a three-year sunset provision to assure proper accountability during the initial transition period.

Your Committee finds that granting administrative flexibility to handle certain financial transactions to the Department of Education and the University is premised upon achieving the program objectives of formal education. It is the desire of the Legislature that the Department of Education and the University be given the tools to respond expeditiously to changing program needs and requirements and to deal effectively with unforeseen and emergency situations. However, it is the intent of your Committee that accountability shall not be sacrificed within the scheme of administrative flexibility, and that the Legislature is not abdicating its oversight responsibilities by granting administrative flexibility.

The University of Hawaii and the Department of Education should be provided with greater flexibility in and responsibility over matters relating to the acquisition of goods and services. It is the intent of your Committee to grant greater financial and administrative flexibility to the Department of Education and the University to enable the Department's and University's financial and procurement units to respond to their respective instructional and support staffs in a more efficient and effective manner, which hopefully will translate into better services for the recipients of the education programs, i.e., the students. Your Committee has amended this bill to reflect this intent.

Your Committee on Finance concurs with the intent and purpose of S.B. No. 2127-86, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2127-86, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 827-86

Water, Land Use, Development and Hawaiian Affairs on
H.R. No. 124 (Majority)

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to identify available and appropriate State lands for an exchange for Fort DeRussy and to initiate discussion with the U.S. government on an exchange proposal.

Your Committee finds that DLNR has scheduled a meeting for April 21, 1986, with General Service Administration (GSA) officials to discuss a number of poten-

SOLVED clause, by adding that a certified copy should also be transmitted to the Revocable Permittees and General Leaseholders of Waimanalo Valley.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 130, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 130, H.D. 1.

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

SCRep. 830-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 75

The purpose of this concurrent resolution is to request the Legislative Auditor to review, assess, and make recommendations on land disposition policies and practices of the State, as administered by the Board of Land and Natural Resources (BLNR). The resolution also requests BLNR to postpone, until the Legislative Auditor's report is submitted to and evaluated by the Legislature, its scheduled actions to terminate revocable permits and the sale of lands presently under lease.

Your Committee has reviewed this concurrent resolution and its testimony in light of discussions at an earlier public hearing on S.B. No. 2394-86, S.D. 1, which was amended by your Committees on Water, Land Use, Development and Hawaiian Affairs and on Agriculture. It is the intention of your Committee that this resolution address problems in management of State lands being experienced by revocable permittees and general leaseholders in Waimanalo Valley and by other tenants of State lands. These problems, your Committee believes, are being "caused by the existing situation regarding the land disposition policies and practices of the State".

Your Committee has received a suggestion that the BLNR, instead of the Legislative Auditor, conduct the proposed study. The suggestion was not adopted because a more disinterested look at the subject is desired.

Your Committee has amended the concurrent resolution in the final BE IT FURTHER RESOLVED clause, by adding that a certified copy should also be transmitted to the Revocable Permittees and General Leaseholders of Waimanalo Valley.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 75, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 75, H.D. 1.

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

SCRep. 831-86 Water, Land Use, Development and Hawaiian Affairs and
Higher Education and the Arts on H.R. No. 103

The purpose of this resolution is to establish a sister state-province relationship between the State of Hawaii and the Province of Cheju in the Republic of Korea.

Your Committees received testimony from various individuals, including the Consul General of Korea, in support of the resolution. Your Committees are in agreement that the potential economic ties between Hawaii and Cheju are numerous. An example is Cheju's effort in opening up its island to international tourism. The provincial government has already begun seeking various forms of assistance and expertise in tourism and other related economic development fields from the State of Hawaii, including land use planning and development management.

Your Committees have amended the resolution, as follows:

(1) To provide a correct title for the purpose of the resolution: "Proposing a sister state-province relationship between the State of Hawaii and the Province of Cheju, Republic of Korea";

(2) To specify, in the second WHEREAS clause, the kind of "current developments" as economic, rather than other kinds such as political or social;

(3) To specify, in the BE IT RESOLVED clause, that the invitation should be directed to the Governor of Cheju;

(4) To add, in the BE IT FURTHER RESOLVED clause, that a certified copy of this resolution should be transmitted to the Governor of Cheju through the Consul General of Korea in Hawaii, for protocol purposes; and

(5) To make technical, non-substantive amendments for the purpose of style and clarity.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts concur with the intent and purpose of H.R. No. 103, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 103, H.D. 1.

Signed by all members of the Committees except Representatives Honda and Tom.

SCRep. 832-86 Water, Land Use, Development and Hawaiian Affairs and
Higher Education and the Arts on H.C.R. No. 63

The purpose of this concurrent resolution is to establish a sister state-province relationship between the State of Hawaii and the Province of Cheju in the Republic of Korea.

Your Committees received testimony from various individuals, including the Consul General of Korea, in support of the resolution. Your Committees are in agreement that the potential economic ties between Hawaii and Cheju are numerous. An example is Cheju's effort in opening up its island to international tourism. The provincial government has already begun seeking various forms of assistance and expertise in tourism and other related economic development fields from the State of Hawaii, including land use planning and development management.

Your Committees have amended the concurrent resolution, as follows:

(1) To provide a correct title for the purpose of the concurrent resolution: "Proposing a sister state-province relationship between the State of Hawaii and the Province of Cheju, Republic of Korea";

(2) To specify, in the second WHEREAS clause, the kind of "current developments" as economic, rather than other kinds such as political or social;

(3) To specify, in the BE IT RESOLVED clause, that the invitation should be directed to the Governor of Cheju;

(4) To add, in the BE IT FURTHER RESOLVED clause, that a certified copy of this concurrent resolution should be transmitted to the Governor of Cheju through the Consul General of Korea in Hawaii, for protocol purposes; and

(5) To make technical, non-substantive amendments for the purpose of style and clarity.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts concur with the intent and purpose of H.C.R. No. 63, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 63, H.D. 1.

Signed by all members of the Committees except Representatives Honda and Tom.

SCRep. 833-86 Water, Land Use, Development and Hawaiian Affairs and
Ocean and Marine Resources on H.C.R. No. 66

The purpose of this concurrent resolution is to provide legislative authorization to the Board of Land and Natural Resources (BLNR) to lease State submerged

lands, together with an easement, at Sand Island for use as a cable ship berth and depot for maintenance and repair of submarine telecommunications cables.

Section 171-53, Hawaii Revised Statutes, covering the disposition of submerged or reclaimed public lands, provides that BLNR may lease or grant easement over submerged lands and lands beneath tidal waters, only with the prior approval of the Governor and with the prior authorization of the Legislature by concurrent resolution. According to testimony by BLNR, the Governor has granted his prior approval of this proposed disposition. BLNR stated that the applicant, Hawaii-Pacific Marine, Inc., would develop the facility and provide services to AT&T Communications for the basing of AT&T's cable inventory and ship.

A few technical, non-substantive amendments have been made for the purpose of style and clarity.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Ocean and Marine Resources concur with the intent and purpose of H.C.R. No. 66, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 66, H.D. 1.

Signed by all members of the Committees except Representatives Honda and Tom.

SCRep. 834-86 Transportation on H.R. No. 38

The purpose of this resolution is to request a report of the present status on the plans and designs of the Department of Transportation to resolve the congestion problem on the Waipahu on-ramp to the Honolulu bound H-1 freeway.

Your Committee finds the problem of traffic congestion on the Waipahu on-ramp to the Honolulu bound H-1 freeway, where traffic from Kamehameha Highway merges with the traffic from Farrington Highway, has been a serious concern to the residents of the central and leeward areas for a number of years.

Your Committee also finds the Department of Transportation feels that until it specifically determines future transit plans for the central and leeward area, it would be premature to make major changes in the area.

Furthermore, your Committee finds that the anticipated operation date of 1987 for the pineapple cannery on Mililani Cemetary Road and the projected completion date of 1990 for the H-2 interchange may result in the situation reaching a crisis level.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 38 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 835-86 Corrections and Rehabilitation on H.R. No. 31

The purpose of this resolution is to request that the Department of Social Services and Housing study the feasibility of implementing an intensive surveillance probation program to reduce imprisonment rates without increasing crime, and to provide for the rehabilitation of certain offenders.

Your Committee received testimony from the Department of Social Services and Housing, the Judiciary, and the John Howard Association of Hawaii, all in favor of the proposal.

The John Howard Association testified that intensive surveillance probation programs have proven successful in many states and therefore recommended that a 2-year pilot program be initiated.

The Office of the Prosecutor of the City and County of Honolulu opposed the resolution because it proposed looking at the intensive surveillance program as a solution to the current prison overcrowding crisis rather than an improvement in the correctional program itself.

Upon further consideration, your Committee amended this resolution to clarify that the reason for implementing an intensive surveillance probation program is not to correct the overcrowding of the prison, but to provide an additional mechanism to assist certain prisoners to progress toward rehabilitation while simultaneously protecting the public from those prisoners who might try to unjustly take advantage of the system.

While the problem of prison overcrowding may have brought this type of program to the forefront, your Committee states emphatically that no prisoner who may prove to be a threat to persons or property should be considered for participation in such a program. The primary goal of government in this area must be to protect the public and if while doing so we can alleviate the problem of prison overcrowding, we will accomplish two goals simultaneously.

Your Committee has further amended the resolution to provide that instead of a study, a plan for implementation should be prepared. Your Committee feels that before any program can proceed, a framework must first be worked out to provide clear guidelines to achieve the program's goals. Therefore, your Committee has requested a plan in order to more fully understand the methods which would be used in implementing an intensive surveillance probation program.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 31, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 31, H.D. 1.

Signed by all members of the Committee.

SCRep. 836-86 Corrections and Rehabilitation on H.R. No. 37

The purpose of this resolution is to request a management audit of the Corrections Division of the Department of Social Services and Housing by the Legislative Auditor.

Your Committee received testimony from the Department of Social Services and Housing to the effect that it had no objections to the resolution. Moreover, the Department of Social Services and Housing agreed that periodic audits can be helpful and in fact is currently conducting inspections of all of the correctional facilities as well as other programs.

In addition, the Prosecutors Office of the City and County of Honolulu, and the United Public Workers AFSCME Local 646, submitted testimony in favor of the resolution.

Your Committee finds that major problems have recently occurred within the management of the Corrections Division. Some of these problems include overcrowding, lax security measures, and difficulty in recruiting and retaining adult corrections officers.

Because of these problems your Committee strongly feels that an audit of management practices at the central administrative level and at each correctional facility will help to identify and explain specific problems, and perhaps offer possible solutions which could be implemented in the near future.

Your Committee also feels that such an audit is justified because the corrections budget has grown significantly. Therefore, an audit at this time will insure that correctional programs are being run effectively and funds are being expended in a cost-effective manner.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 37 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 837-86 Corrections and Rehabilitation on H.C.R. No. 26

The purpose of this concurrent resolution is to request a management audit of the Corrections Division of the Department of Social Services and Housing by the

Legislative Auditor.

Your Committee received testimony from the Department of Social Services and Housing to the effect that it had no objections to the concurrent resolution. Moreover, the Department of Social Services and Housing agreed that periodic audits can be helpful and in fact is currently conducting inspections of all of the correctional facilities as well as other programs.

In addition, the Prosecutors Office of the City and County of Honolulu, and the United Public Workers AFSCME Local 646, submitted testimony in favor of the concurrent resolution.

Your Committee finds that major problems have recently occurred within the management of the Corrections Division. Some of these problems include overcrowding, lax security measures, and difficulty in recruiting and retaining adult corrections officers.

Because of these problems your Committee strongly feels that an audit of management practices at the central administrative level and at each correctional facility will help to identify and explain specific problems, and perhaps offer possible solutions which could be implemented in the near future.

Your Committee also feels that such an audit is justified because the corrections budget has grown significantly. Therefore, an audit at this time will insure that correctional programs are being run effectively and funds are being expended in a cost-effective manner.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.C.R. No. 26 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 838-86 Transportation on S.B. No. 1875-86

The purpose of this bill is to amend Section 286-108, Hawaii Revised Statutes, to include drivers licensed by the Commonwealth of the Northern Mariana Islands (Marianas) among those persons allowed to be exempt from the road test necessary to obtain a Hawaii driver's license. This bill further amends Section 286-105, Hawaii Revised Statutes, to include the Marianas as one of the jurisdictions exempting licensed drivers from obtaining a Hawaii driver's license.

Testimony received from the City & County of Honolulu Department of Finance was in support of this bill which would allow the examiner of drivers to waive the road test for applicants who possess a valid driver's license issued by the Marianas. In addition, this bill would also allow drivers licensed by the Marianas to drive in this State until the expiration of their Marianas driver's license.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1875-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 839-86 Transportation on S.B. No. 2159-86

The purpose of this bill is to limit the jurisdiction of the Department of Transportation to water areas and several sectors of Waikiki Beach which Act 104, Session Laws of Hawaii, 1985, failed to clarify.

Testimony in support of this bill was submitted by the Department of Transportation. This bill will meet the constitutional requirements by clearly limiting the Department of Transportation's jurisdiction to water areas only, except for two sectors of Waikiki Beach over which an easement granted in favor of the public exists. It will re-establish the Department of Land and Natural Resources as the lead agency for management and enforcement along the shores and beaches of this State and will essentially repeal the provision of Act 104, Session Laws of Hawaii, 1985.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2159-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 840-86 Transportation on S.B. No. 1794-86

The purpose of this bill is to amend sections 279E-3 and 279E-6, Hawaii Revised Statutes, dealing with the membership of the Metropolitan Planning Organization (MPO).

Your Committee finds the current statute dealing with the membership of the MPO is applicable to the Oahu Metropolitan Planning Organization (OMPO) which is the only existing MPO in the State at this time. The bill in its present form would amend the membership rule to allow for the establishment of MPOs in other local jurisdictions.

Your Committee received testimony from the Department of Transportation favoring passage of this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1794-86 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 841-86 Transportation and Ocean and Marine Resources on S.B.
No. 2206-86

The purpose of this bill is to amend Section 266-21.1, Hawaii Revised Statutes, relating to the transfer of ownership of commercial fishing vessels.

Your Committees find that the present law limits the time in which a commercial fishing vessel can be transferred from personal to business ownership to a period of one year following May 29, 1984. This bill deletes any time limitations in which the ownership of a commercial fishing vessel can be transferred from personal to business status without losing the permit to the vessel, and makes the transfer subject to Department of Transportation regulations. It also allows the Department of Transportation to designate moorage spaces within State small boat harbors for commercial fishing vessels.

Your Committees received testimony from the Department of Transportation favoring passage of this bill. Testimony indicated this bill would be supportive of the local fishing industry and would ensure that adequate moorage spaces are available for the local fishing industry.

Your Committees on Transportation and Ocean and Marine Resources are in accord with the intent and purpose of S.B. No. 2206-86, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 842-86 Transportation and Consumer Protection and Commerce on
S.B. No. 2403-86

The purpose of this bill is to amend Section 286-41, Hawaii Revised Statutes, to delete the proof of insurance requirement for the initial registration of vehicles.

Your Committees find that present law requires that a valid no-fault insurance card be presented to obtain a safety inspection certificate which then must be presented to obtain a certificate of registration. However, proof of registration for the motor vehicle is required in order to apply for insurance coverage. This bill would delete the proof of insurance requirement for the initial registration of the vehicle and resolve this problem.

Your Committees received testimony from the Department of Finance of the City

and County of Honolulu, the Honolulu Police Department and Ann B. Leighton, a private citizen, favoring passage of the bill.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. 2403-86, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hirono, Yoshimura and Jones.

SCRep. 843-86 Water, Land Use, Development and Hawaiian Affairs on S.B. No. 1679-86

The purpose of this bill is to require that fair market rental be the basis for lease rental determination upon rental reopening in all instances, rather than just in the case of leases whose reopening dates fall after May 28, 1985.

S.B. No. 1679-86 and H.B. No. 2018-86 are companion bills.

Act 116, Session Laws of Hawaii 1985, amended Subsection 171-17(d), Hawaii Revised Statutes, to provide that the rental shall be the fair market rental at the time of lease reopening and eliminated the requirement of taking the higher of the preceding rental or fair market value as the new lease rent. Act 116 applies to leases with original lease reopening dates after May 28, 1985, the effective date of Act 116. The purpose of Act 116 was to eliminate the problem that arose when fair market rentals fell below the preceding rental amount.

Your Committee finds that there have been lease reopenings before May 28, 1985, which have not been resolved and that these rentals should be determined in the same manner as for leases with reopening dates after May 28, 1985. Your Committee is therefore in agreement that the provisions of Act 116 should apply to all leases which are reopened, not just those reopened after May 25, 1985.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1679-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Honda, Tom and Kamali'i.

SCRep. 844-86 Health on S.B. No. 1846-86

The purpose of this bill is to include all University affiliated facilities or satellite centers and the State Protection and Advocacy Agency as members of the State Planning Council on Developmental Disabilities.

Your Committee heard supporting testimony by the Department of Health and the Chairperson of the State Planning Council on Developmental Disabilities and finds that this measure would bring Hawaii law into compliance with specific recommendations made by the federal administration and would further promote the coordination and delivery of service to the developmentally disabled population in the State.

This bill also would amend existing statutory provisions by providing for the automatic dropping of agencies or groups from the Council's membership if they are no longer in existence.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1846-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 845-86 Planning, Energy and Environmental Protection and Health on S.B. No. 2370-86

The purpose of this bill is to allow the Department of Health to act as the certifying agency for water quality standards of dredge and fill projects

conducted by the U.S. Army Corps of Engineers.

Your Committees find that this measure will enable the Department of Health to implement the Section 401 Water Quality Certification procedure of the Federal Clean Water Act and to review pending projects which have requested 401 certification from the Department.

Your Committees on Planning, Energy and Environmental Protection and Health are in accord with the intent and purpose of S.B. No. 2370-86, S.D. 2, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Jones.

SCRep. 846-86 Education on S.B. No. 2463-86

The purpose of this bill is to amend Section 298-2, Hawaii Revised Statutes, to enable the Department of Education to implement special projects which use the Hawaiian language.

This bill recognizes what already occurs daily in Niihau School, where much of the communication takes place in the Hawaiian language. It would also make it possible to use currently developed materials, utilizing both English and Hawaiian languages, to maximize instruction and learning.

Your Committee finds that the current law is detrimental to communities, such as Niihau, where Hawaiian, not English is the primary language used. This bill would enable the Department of Education to develop and implement special projects using the Hawaiian language, when appropriate, to meet the unique needs of affected students.

Testimony was presented to Your Committee expressing a concern that the language of the bill was too broad. It was assured by the Department of Education that the intent of this bill is understood and, if a problem occurs, the language could be amended in the future.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2463-86 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 847-86 Judiciary on S.B. No. 505

The purpose of this bill is to repeal chapter 480, HRS, to eliminate the State antitrust exemption for newspapers.

Currently, both State and federal laws permit joint operating agreements between newspapers. However, where both State and federal laws govern the same activity, federal law will control.

Your Committee received testimony from Senator Duke Kawasaki, the Hawaii Food Industry Association, and the Hawaii Business League in support of this bill.

The testimony of Senator Kawasaki and the Hawaii Business League indicated that there has been controversy over the past years regarding this particular bill. Their testimony further indicated that with the concurrence of the newspapers, there appears to be no real reason to maintain this statute.

Your Committee finds that the newspapers primarily sought the passage of the State Newspaper Preservation Act in 1972 to reduce costs and to keep from going out of business.

Your Committee further finds that twenty two other states have joint operating agreements but no other state has a statute identical to the federal law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 505, S.D. 1, and recommends that it pass Second Reading and be placed on

SCRep. 851-86 Consumer Protection and Commerce on S.B. No. 1573-86

The purpose of this bill is to amend Section 269-51, Hawaii Revised Statutes, by specifying that the Consumer Advocate shall represent, protect, and advance the interests of all consumers, including small businesses, of utility services. The bill also makes stylistic changes in the listing of the powers and duties of the Consumer Advocate.

Your Committee received favorable testimony from the Hawaii Business League and the National Federation of Independent Business (NFIB). NFIB testified that this bill would help to make the small business community aware of the Consumer Advocate's role in working toward fair utility ratemaking for all consumers. More specifically, this amendment would spell out the fact that in Hawaii, unlike some other states, small business utility users are being represented by the Consumer Advocate before the Public Utility Commission.

Your Committee also received testimony from the Department of Commerce and Consumer Affairs (Department). The Department testified that under existing law, the Director of Commerce and Consumer Affairs has the responsibility to "represent, protect, and advance the interest of consumers of utility services." In that capacity, the Director of the Department and his appointees have attempted to fairly represent the interests of all categories of customers and the various consumer interests in all regulatory proceedings, including rate increase requests, restructuring of rates, finance proceedings, capital expenditure proceedings, service proceedings, and complaint proceedings. Further, the vast majority of utility energy resources are consumed by commercial interests, vis-a-vis residential interests. Approximately 65 percent of the Division of Consumer Advocacy's (Division) "constituency" in energy matters is comprised of commercial consumers. Relative to the regulation of transportation rates, fares, and charges for trucking and barging services (which cases occupy a substantial portion of the Division's staff time and analytical resources), nearly all of the consumers being represented are commercial interests. In telecommunications matters, voice and data communications are more a "lifeline" to business than the telephone is a "lifeline" to residential users of phone service. In summary, the Department testified that this bill would distinguish "small business users" as a group of consumers from consumers generally, when no meaningful distinction does in fact exist. Accordingly, although the Department does not believe the legislation is necessary, it did not oppose the legislative measure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1573-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 852-86 Consumer Protection and Commerce on S.B. No. 1574-86

The purpose of this bill is to amend Section 490:4-213, Hawaii Revised Statutes, to provide that each bank or payor shall provide, upon request, written notice of its check hold policy.

Your Committee heard testimony from the Hawaii Bankers Association, the Hawaii Credit Union League and the Hawaii League of Savings Association in support of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1574-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 853-86 Consumer Protection and Commerce on S.B. No. 2063-86

The purpose of this bill is to amend Chapter 465, Hawaii Revised Statutes, by adding a new section to permit applicants for licensing whose applications are based on graduation from a foreign university to provide the Board of Psychology with documents and evidence to establish that their formal education is equivalent to a doctoral degree in psychology granted by a United States university that is regionally accredited. After reviewing the required documentation, the graduate

division of the University of Hawaii would certify that the degree is equivalent to a doctoral degree granted from a regionally accredited institution.

Your Committee heard testimony from the Board of Psychology (Board), the University of Hawaii, and the Hawaii Psychological Association in support of the bill. The Association testified that under current statutes, no graduate of a foreign university may be licensed in Hawaii. Further, many foreign graduates, particularly those from Canada, are fully trained in graduate programs essentially equivalent to those found in U. S. regionally accredited schools. There is no valid reason why they should have their applications denied without an appropriate review of credentials.

The Board testified that present law prevents the Board from considering an applicant who has graduated from a school anywhere but in the United States. The Board, in the past, has consulted with the University of Hawaii, which has a mechanism already in place for judging the academic equivalency of foreign schools.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2063-86, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 854-86 Finance on S.B. No. 2046-86

The purpose of this bill is to clarify the credited service and eligibility for retirement requirements of those members who terminate or retire and return to government service.

Your Committee finds that this bill is a housekeeping measure which will require no additional expenditures of public moneys.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2046-86, S.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 855-86 Finance on S.B. No. 1999-86

The purpose of this bill is to comply with Article VII, Section 6, of the State of Hawaii Constitution which requires that, whenever the State general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years, the Legislature shall provide for a tax refund or a tax credit to the taxpayers of the State in the next regular session.

Your Committee has approved a tax credit in the amount of \$1.00 to qualified resident taxpayers of the State. The amount of the credit shall reduce the tax liability of the taxpayers for the 1986 taxable year. If the tax credit exceeds the amount of tax due, or if there is no tax due, the excess amount of the credit shall be paid to the qualified taxpayer. The amount of the credit shall be multiplied by the number of qualified exemptions for the taxable year.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1999-86 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 856-86 Employment Opportunities and Labor Relations and Consumer
Protection and Commerce on S.B. No. 2169-86 (Majority)

The purpose of this bill is to exclude vacuum cleaner salespeople, who are paid solely by way of commission, and taxicab drivers who own their cab from the workers' compensation law.

After hearing the testimony presented by the Department of Labor and Industrial Relations, the Hawaii Business League, Oahu Taxi Owners Association, Inc., and the ILWU, your Committees find that vacuum cleaner salespeople who are paid solely by commission and taxicab drivers who own their cab are independent contractors and should be excluded from workers' compensation coverage. However, your Committees wish to note that the piecemeal approach to exclude specific occupations from statutory coverage is unsatisfactory and a uniform definition of independent contractor which will be applicable to all of the employment-related statutes is needed.

Your Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 2169-86, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Bunda, Hirono, Menor and Souki.
(Representatives Lardizabal, Nakasato, Takamine and Taniguchi did not concur.)

SCRep. 857-86 Human Services on H.R. No. 177

The purpose of this resolution is to request a study of long term care insurance and the feasibility of allowing a tax credit for long term care insurance premiums.

Testimony in support of this resolution was provided by the Department of Social Services and Housing, the Department of Health, the Executive Office on Aging, the Commission on the Handicapped, the Hospital Association of Hawaii and the Kokua Council for Senior Citizens-Founders' Group. The Department of Taxation and the Hawaii Medical Service Association had no objections to the study and expressed a willingness to assist the Legislative Reference Bureau in the study.

The elderly population in Hawaii is aging at a rate higher than the national average and projections are that by the year 2000, 160,000 residents will be 65 years of age or older. The impact of this increased population on the State Medicaid budget is potentially enormous.

Your Committee believes that long term care insurance is an idea whose time has come. Long term care providers, insurers and government can all benefit from this development. The elderly have been particularly supportive of long term care insurance because it obviates the need to deplete their life savings ("spend down") and provides them with a better opportunity for financial planning. Additionally, spouses can be protected from a dramatically changed lifestyle and greater access to care can be provided for the elderly.

Your Committee believes, however, that it is important that a study be conducted on the feasibility of using tax credits as a means of encouraging the purchase of long term care insurance policies. Furthermore, not all insurance policies may lead to the desired benefits and it is important to the consumers that the desirable elements of long term care insurance policies be studied.

Your Committee wishes to underscore the importance of including community-based long term care services in the assessment of the desirable elements in long term care insurance policies. In addition to the services covered, the amount of the daily benefits and the feasibility of including a mechanism to ensure that the daily benefits keep up with any increased costs for long term care also need to be explored. The waiting period, years of coverage, prior hospitalization requirement, renewability of coverage, cancellation and exclusion provisions must also be reviewed. Your Committee is particularly concerned that policies may not be offered to the more senior members of the elderly population and that therefore those that need the policy most may be prevented from purchasing long term care insurance policies.

Your Committee amended the resolution by adding the Executive Office on Aging (EOA) to the list of agencies receiving a certified copy of the resolution, underscoring the EOA's role as a resource agency for the purposes of the study.

Your Committee also made technical, nonsubstantive changes for purposes of

clarity and style.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 177, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 177, H.D. 1.

Signed by all members of the Committee.

SCRep. 858-86 Human Services on H.C.R. No. 110

The purpose of this concurrent resolution is to request a study of long term care insurance and the feasibility of allowing a tax credit for long term care insurance premiums.

Testimony in support of this concurrent resolution was provided by the Department of Social Services and Housing, the Department of Health, the Executive Office on Aging, the Commission on the Handicapped, the Hospital Association of Hawaii and the Kokua Council for Senior Citizens-Founders' Group. The Department of Taxation and the Hawaii Medical Service Association had no objections to the study and expressed a willingness to assist the Legislative Reference Bureau in the study.

The elderly population in Hawaii is aging at a rate higher than the national average and projections are that by the year 2000, 160,000 residents will be 65 years of age or older. The impact of this increased population on the State Medicaid budget is potentially enormous.

Your Committee believes that long term care insurance is an idea whose time has come. Long term care providers, insurers and government can all benefit from this development. The elderly have been particularly supportive of long term care insurance because it obviates the need to deplete their life savings ("spend down") and provides them with a better opportunity for financial planning. Additionally, spouses can be protected from a dramatically changed lifestyle and greater access to care can be provided for the elderly.

Your Committee believes, however, that it is important that a study be conducted on the feasibility of using tax credits as a means of encouraging the purchase of long term care insurance policies. Furthermore, not all insurance policies may lead to the desired benefits and it is important to the consumers that the desirable elements of long term care insurance policies be studied.

Your Committee wishes to underscore the importance of including community-based long term care services in the assessment of the desirable elements in long term care insurance policies. In addition to the services covered, the amount of the daily benefits and the feasibility of including a mechanism to ensure that the daily benefits keep up with any increased costs for long term care also need to be explored. The waiting period, years of coverage, prior hospitalization requirement, renewability of coverage, cancellation and exclusion provisions must also be reviewed. Your Committee is particularly concerned that policies may not be offered to the more senior members of the elderly population and that therefore those that need the policy most may be prevented from purchasing long term care insurance policies.

Your Committee amended the concurrent resolution by adding the Executive Office on Aging (EOA) to the list of agencies receiving a certified copy of the concurrent resolution, underscoring the EOA's role as a resource agency for the purposes of the study.

Your Committee also made technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 110, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 110, H.D. 1.

Signed by all members of the Committee.

SCRep. 859-86 Human Services on H.R. No. 147

The purpose of the resolution is to encourage the development of a system of integrated services in child abuse and neglect.

Your Committee finds that current services in this problem area span many agencies and departments of state government. Efforts in this area are, therefore, by its nature and design, compartmentalized. While resources are constantly being provided, your Committee believes that there is now a need to cut across jurisdictional lines and consolidate efforts, where feasible, in order to more effectively and efficiently expend state resources in this area.

This lack of coordination is not by any means unique to our State. Integrated approaches to child abuse and neglect are currently being used in four other states, notably, Minnesota, Colorado, Alaska and New Jersey.

Your Committee believes that the multiplicity of efforts in prevention, both primary and secondary, as well as treatment, requires much analysis and broad participation. Your Committee believes that the Legislative Reference Bureau, rather than the Legislative Auditor, is better suited to carry out the purposes of this study, and therefore amended the resolution to reflect this belief.

Your Committee further believes that the convening of a task force under the leadership of the Department of Health will provide the necessary bridge between the recommendations by the Legislative Reference Bureau and implementation of the recommendations deemed feasible and appropriate by the agencies involved.

Your Committee finds that the University of Hawaii needs to be more involved in this area, particularly as the University relates to the training of various professionals engaged in child abuse and neglect services.

Your Committee believes that, to be truly effective, the task force must have broad participation and should include representatives from the Department of Social Services and Housing, Department of Health, Department of Education, law enforcement, family courts, Public Defender's Offices, the offices of the Prosecuting Attorneys, crisis intervention services, individual and family counseling services, private providers of service in this area, the Office of Children and Youth, appropriate representatives of the military, community groups and related task forces.

Your Committee amended the title of this resolution to include related person abuse programs, as many of the agencies and providers involved in child abuse and neglect are also involved in child sex abuse and spouse abuse programs and services.

Upon the recommendation of the Department of Social Services and Housing, your Committee also made amendments to the eighth WHEREAS section to include important services and functions omitted.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 147, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committee.

SCRep. 860-86

Human Services on H.C.R. No. 90

The purpose of the concurrent resolution is to encourage the development of a system of integrated services in child abuse and neglect.

Your Committee finds that current services in this problem area span many agencies and departments of state government. Efforts in this area are, therefore, by its nature and design, compartmentalized. While resources are constantly being provided, your Committee believes that there is now a need to cut across jurisdictional lines and consolidate efforts, where feasible, in order to more effectively and efficiently expend state resources in this area.

This lack of coordination is not by any means unique to our State. Integrated approaches to child abuse and neglect are currently being used in four other states, notably, Minnesota, Colorado, Alaska and New Jersey.

Your Committee believes that the multiplicity of efforts in prevention, both

primary and secondary, as well as treatment, requires much analysis and broad participation. Your Committee believes that the Legislative Reference Bureau, rather than the Legislative Auditor, is better suited to carry out the purposes of this study, and therefore amended the concurrent resolution to reflect this belief.

Your Committee further believes that the convening of a task force under the leadership of the Department of Health will provide the necessary bridge between the recommendations by the Legislative Reference Bureau and implementation of the recommendations deemed feasible and appropriate by the agencies involved.

Your Committee finds that the University of Hawaii needs to be more involved in this area, particularly as the University relates to the training of various professionals engaged in child abuse and neglect services.

Your Committee believes that, to be truly effective, the task force must have broad participation and should include representatives from the Department of Social Services and Housing, Department of Health, Department of Education, law enforcement, family courts, Public Defender's Offices, the offices of the Prosecuting Attorneys, crisis intervention services, individual and family counseling services, private providers of service in this area, the Office of Children and Youth, appropriate representatives of the military, community groups and related task forces.

Your Committee amended the title of this concurrent resolution to include related person abuse programs, as many of the agencies and providers involved in child abuse and neglect are also involved in child sex abuse and spouse abuse programs and services.

Upon the recommendation of the Department of Social Services and Housing, your Committee also made amendments to the eighth WHEREAS section to include important services and functions omitted.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 90, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 90, H.D. 1.

Signed by all members of the Committee.

SCRep. 861-86

Human Services on H.R. No. 166

The purpose of this resolution is to request the Legislative Auditor to evaluate the training available to key professionals and service providers involved in early intervention of child care and neglect.

Your Committee believes that early intervention is critical to the success of an effective child abuse and neglect system. The professionals and service providers involved are only as effective as the training they receive. Your Committee is concerned that our first line of defense in this area may not be as formidable as previously thought and believes that an evaluation of the training being provided, as well as the training available and the training necessary to perform responsibilities in child abuse and neglect, is in order.

Your Committee amended the categories of key professionals and service providers involved to provide a more comprehensive list. In addition to police officers, CPS child abuse and child sex abuse workers, foster care providers, day care providers and public school teachers, your Committee, at the urging of the Department of Health, included school health nurses, school counselors, private school teachers, speech and hearing therapists, physical therapists, psychologists, psychiatrists, other mental health service providers and physicians.

Your Committee believes that the evaluation should not only focus upon in-service training, but also on the extent to which undergraduate and graduate training, particularly as it applies to CPS workers, properly prepares social workers for the responsibilities they will face on the job.

Your Committee received testimony in support of this resolution from the Department of Social Services and Housing, Department of Health and Catholic Services to Families.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 166, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 166, H.D. 1.

Signed by all members of the Committee.

SCRep. 862-86 Human Services on H.C.R. No. 102

The purpose of this concurrent resolution is to request the Legislative Auditor to evaluate the training available to key professionals and service providers involved in early intervention of child care and neglect.

Your Committee believes that early intervention is critical to the success of an effective child abuse and neglect system. The professionals and service providers involved are only as effective as the training they receive. Your Committee is concerned that our first line of defense in this area may not be as formidable as previously thought and believes that an evaluation of the training being provided, as well as the training available and the training necessary to perform responsibilities in child abuse and neglect, is in order.

Your Committee amended the categories of key professionals and service providers involved to provide a more comprehensive list. In addition to police officers, CPS child abuse and child sex abuse workers, foster care providers, day care providers and public school teachers, your Committee, at the urging of the Department of Health, included school health nurses, school counselors, private school teachers, speech and hearing therapists, physical therapists, psychologists, psychiatrists, other mental health service providers and physicians.

Your Committee believes that the evaluation should not only focus upon in-service training, but also on the extent to which undergraduate and graduate training, particularly as it applies to CPS workers, properly prepares social workers for the responsibilities they will face on the job.

Your Committee received testimony in support of this concurrent resolution from the Department of Social Services and Housing, Department of Health and Catholic Services to Families.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 102, H.D. 1.

Signed by all members of the Committee.

SCRep. 863-86 Judiciary on S.B. No. 1643-86

The purpose of this bill is to delete glanders and farcy from section 142-13, HRS, and to increase fines for failure to promptly report any contagious or infectious disease occurring in one's own or other's animals.

Present law requires prompt reporting of any infectious or contagious disease relating to animals including glanders and farcy. It also provides a penalty of a fine from \$5 to \$100 for failure to report such diseases.

The Board of Agriculture submitted testimony stating that glanders and farcy no longer exist in Hawaii and are regarded as foreign diseases in the United States. Further, entry into the United States is prevented by the U.S. Department of Agriculture through inspection and quarantine of animals. The Department of Health concurs with the Board's proposal to eliminate glanders and farcy from section 142-13, HRS, and to increase the fines for failure to promptly report any contagious or infectious disease occurring in one's own or other's animals. Both departments feel that prompt reporting of any infectious or contagious disease is the first step necessary for intervention in that disease cycle.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1643-86 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 864-86 Finance on S.B. No. 2325-86

The purpose of this bill is to amend section 243-4, Hawaii Revised Statutes. This bill seeks to correct a legislative oversight by setting the diesel fuel tax one cent less per gallon than the regular fuel tax.

Testimony in support of this bill was presented by the Department of Taxation, Department of Transportation, and the Tax Foundation of Hawaii. Act 239, Session Laws of Hawaii 1985, amended section 243-4(b), Hawaii Revised Statutes, by revising the fuel tax for diesel oil to 11 cents. Subsection 243-4(a)(1), revised the fuel tax for diesel oil by one cent; therefore, the total diesel fuel tax paid amounts to 12 cents instead of 11 cents. This bill corrects the oversight.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2325-86 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 865-86 Finance on S.B. No. 1855-86

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$3,000,000 for Cyanotech Corporation.

Cyanotech Corporation is one of Hawaii's first and most prominent aquaculture biotechnological firms, specializing in the growth and commercial production of high value microalgae. Cyanotech Corporation is an excellent candidate for special purpose revenue bonds that would not only assist industrial enterprise and encourage economic growth, but also establish Hawaii as the marine and aquaculture center of the Pacific and the United States. The issuance of special purpose revenue bonds for Cyanotech Corporation will promote economic expansion and diversification and is therefore in the public interest.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1855-86, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 866-86 Finance on S.B. No. 2322-86

The purpose of this bill is to allow Hawaii to comply with federal food stamp regulations by exempting amounts received from purchases made with federal food stamps from the general excise tax imposed by Chapter 237, Hawaii Revised Statutes.

This bill amends section 237-48, Hawaii Revised Statutes, to exempt food stamp purchases if the U.S. Secretary of Agriculture determines that Hawaii's general excise tax is a "sales tax" that disqualifies the State from further participation in the federal food stamp program. In the event of such a determination, this bill also provides for immediate public notice of the exempt status by the director of taxation.

According to Public Law 99-198, the Food Security Act of 1985, states are barred from participating in the food stamp program if the U.S. Secretary of Agriculture determines that state or local state taxes are collected on food stamp purchases. Although Hawaii does not have a sales tax, the general excise tax is passed on to consumers and thus could be construed as a sales tax.

The Department of Social Services and Housing is awaiting an official response from the U.S. Secretary of Agriculture on whether Hawaii's excise tax is a sales tax. An exception for food stamp purchases to the state excise tax would be provided under the provisions of this bill if the determination is made that the excise tax is indeed a sales tax according to the federal definition.

Your Committee on Finance is in accord with the intent and purposes of S.B. No. 2322-86, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 867-86 Finance on S.B. No. 1033

The purpose of this bill is to allow the board of trustees of the public employees' retirement system to forgive any overpayment to beneficiaries made as a result of staff errors in calculating retirement allowances.

Occasional miscalculations, which can be attributed to human error by the public employees' retirement system, can sometime result in the overpayment of retirement benefits to eligible beneficiaries. Although most errors resulting in overpayment can be corrected, mandatory recovery of overpayment may unduly burden some beneficiaries who are elderly and on fixed incomes.

Recovery of these overpayments should be left to the discretion of the board of trustees as the public employees' retirement system representative estimates that approximately 12 cases of staff errors occur annually at a cost of \$5,000.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1033, S.D. 3, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 868-86 Finance on S.B. No. 2002-86

The purpose of this bill is to correct a situation whereby an unforeseen combination of federal and state tax credits for alternate energy devices may be overly generous to qualified taxpayers by ensuring against any increase in the state tax credit based on certain actions by the federal government.

Under current law, section 235-12(a), Hawaii Revised Statutes, provides that if federal energy tax credits for the installation of solar or wind energy devices or heat pumps are not extended beyond December 31, 1985, the state tax credit shall be increased from ten to fifteen per cent of the total cost from the time of expiration of the federal tax credit to December 31, 1992.

Your Committee finds that these federal tax credits expired on December 31, 1985, and no action has been taken by Congress to reenact such a federal tax credit. It appears that Congress might reenact a federal energy credit, retroactively extend the old credit, or establish a new type of alternate energy credit. Such action could result in a combined federal and state tax credit that might be higher than had been anticipated. Accordingly, this bill provides that if Congress does enact legislation that would once again provide for a federal tax credit for alternate energy devices, the state tax credit would remain at ten per cent.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2002-86 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 869-86 Finance on S.B. No. 1572-86

The purpose of this bill is to amend Section 26H-4, Hawaii Revised Statutes, by extending Chapter 437B (motor vehicle repair industry board) to December 31, 1992; amend Section 286-48, Hawaii Revised Statutes, to require repair dealers rebuilding salvaged motor vehicles to certify their work and to insure that the rebuilt vehicle conforms to the vehicle manufacturer's specifications; and amend Section 437B-23, Hawaii Revised Statutes, to have the motor vehicle repair industry board (Board) contract with the University of Hawaii to develop and administer a certification program for motor vehicle mechanics.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1572-86, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 870-86 Finance on S.B. No. 2314-86

The purpose of this bill is to establish a revolving fund account for the State Motor Pool Program to assist in the acquisition, operation, repair, maintenance,

storage, and disposition of State-owned vehicles.

At the present time, the State Motor Pool Program has been operating under a revolving fund concept which has proven to be most successful. However, a financial audit undertaken to assess the Program's efficiency and effectiveness which was completed in fiscal year 1985, found that while the Legislature authorizes appropriations for Program expenditures to be financed from the proceeds of a revolving fund, through an apparent oversight, the revolving fund was never formally established statutorily.

Your Committee on Finance is in accord with the intent and purpose of the S.B. No. 2314-86, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 871-86 Finance on S.B. No. 2332-86

The purpose of this bill is to amend sections 231-51 and 231-52, Hawaii Revised Statutes, to allow retention of state income tax refunds where a person has defaulted on an education loan note held by the United Student Aid Funds.

Your Committee finds that continuing availability of educational loans is predicated on default rates acceptable to the federal government and to the United Student Aid Funds. The U. S. Department of Education has recently entered into an agreement with the Internal Revenue Service to withhold the income tax refunds of people who have failed to repay their student loans and is encouraging states to implement a similar off-set program for its student loan defaulters.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2332-86 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 872-86 Finance on S.B. No. 1629-86

The purpose of this bill is to amend Chapter 142, HRS, by adding a new section to require the owner of animals being sold or transported to complete a certificate declaring information on ownership, origin and destination of shipment, numbers, description, brands and consignee.

Your Committee received testimony from the Department of Agriculture that rustling causes substantial economic loss to the industry. Most western states require strict brand inspection prior to the sale or transportation of animals.

Your Committee also finds that it provides an opportunity to inspect livestock shipments destined for a licensed slaughterhouse. In addition, this bill also provides an opportunity to inspect livestock not destined for a licensed slaughterhouse. This bill will resolve the insidious problem of theft and will strengthen the livestock disease control program.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1629-86 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 873-86 Finance on S.B. No. 1625-86

The purpose of this bill is to permit the State Department of Agriculture to reorganize the milk control program by removing all references to the milk commissioner and the Division of Milk Control.

The administration of the milk control program, established in 1967, is now routine and the program can be readily administered by a Milk Control Branch under the Division of Marketing and Consumer Services at substantial savings to the State. Placement in this Division is desirable because of the homogeneity with the other programs within the Division.

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

No. 1625-86 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 874-86 Finance on S.B. No. 1561-86

The purpose of this bill is to provide express authority to the neighbor island counties and the City and County of Honolulu to eliminate the requirement for annual business licenses.

While existing statutory provisions allow the neighbor island counties and the City and County of Honolulu to require licenses for businesses operating within their respective jurisdictions, they are silent as to the elimination of licensing requirements. County licenses are often issued subsequent to State licenses, and they serve no valid purpose from the county's standpoint.

Your Committee finds that granting specific authority to the counties to eliminate license requirements will in all probability result in efficient local government operations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1561-86 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 875-86 Finance on S.B. No. 1764-86

The purpose of this bill is to authorize the Hawaii Housing Authority (Authority) to issue capital appreciation bonds under the Hula Mae Program.

A capital appreciation bond, similar in concept to a savings bond, is purchased at a discounted price and redeemed for its full face value at maturity. During the period between the bond's purchase and redemption, a capital appreciation bond accretes in value. The principal of accretion is important since capital appreciation bonds: (1) are considered to bear no interest (they increase in principal value only) and (2) have no regular payments of interest. These two technical deviations from the typical characteristics of bonds are addressed in the bill.

The advantage or benefit of capital appreciation bonds to the eligible borrower is a savings in the mortgage rate of 0.20 to 0.25 per cent. This is achieved by issuing capital appreciation bonds at a discounted value equal to an amount from seven to ten per cent of the total value of the bonds issued.

The advantage or benefit of capital appreciation bonds to the Authority is lowered bond issuance costs. This is possible because capital appreciation bonds enable the bond issues' cash flow to support additional shorter term serial bonds.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1764-86, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 876-86 Public Employment and Government Operations on H.C.R. No. 82

The purpose of this concurrent resolution is to request the Director of Health to convene a committee to study the continuing need for an employee assistance program, the resources required to meet the need, the potential sources of required resources, and to make recommendations concerning the continuation of this program.

Representatives from the Department of Education (DOE), Department of Health (DOH), Department of Personnel Services (DPS), Department of Social Services and Housing, Hawaii State Teachers Association, University of Hawaii Professional Assembly, Hawaii Government Employees Association and the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (Advisory Commission) testified in support of this concurrent resolution. There is wide agreement that

an employee assistance program (EAP) is a vital personnel function which can assist employees to solve problems that seriously affect job performance, thereby reducing absenteeism, tardiness, sick leave, injury, and organizational friction and leading to improved employee well-being and productivity.

The current program, Project CARE (Counseling and Referral for Employees), which began as a pilot project in the DOH, has officially operated as the State's EAP since November 1981 serving more than 500 employees with one full-time staff member. However, due to the recent fiscal constraints, the employee has been reduced to a part-time status.

Your Committee agrees that this is an opportune time to examine Project CARE. Because its services cut across departmental lines, an inter-agency committee is the appropriate mechanism to review the project and determine its most appropriate location, role, function, and resource requirements within the state government structure.

Since in-house EAPs are usually located in personnel departments, your Committee believes an appropriate placement for the program might be the Employee Services Division of the DPS. However, to address some of the concerns raised, your Committee recommends that the committee explore several alternatives, including authorizing DPS to service all state employees through an EAP.

Upon further consideration, your Committee has adopted the recommendations of the HGEA and the Advisory Commission by amending the concurrent resolution to include all executive departments in the study committee. Your Committee has also made further amendments for the purposes of clarity and to correct technical drafting errors.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 82, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 82, H.D. 1.

Signed by all members of the Committee.

SCRep. 877-86 Public Employment and Government Operations on H.C.R.
No. 91

The purpose of this concurrent resolution is to establish a commission within the Office of the Legislative Auditor to study the reorganization of state government. The commission is charged with determining the parameters of the reorganization study, establishing guidelines and a time frame for the conduct of the study, and submitting a report to the Legislature recommending who shall conduct the study and whether a committee should be appointed to oversee the project.

Your Committee heard testimony in support of this concurrent resolution from the Department of Social Services and Housing (DSSH). The DSSH emphasized that the Corrections Division has expanded to the point where it interferes with other programs in the department. This particular problem could be resolved through a reorganization of state government.

Your Committee recognizes the need to improve government efficiency, effectiveness, and responsiveness and believes that a complete review of state government functions may provide the next administration with the information needed to effectuate constructive changes in the organization of state government.

Your Committee on Public Employment and Government Operations is in accord 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. 878-86 Higher Education and the Arts on H.R. No. 131

As indicated in the title of this measure the purpose of this resolution is to request the University of Hawaii to conduct a study on the need for, and the feasibility of, increasing the stock of short term housing for faculty at the Manoa campus.

Your Committee finds that there is a critical shortage of housing for new faculty members at the University of Hawaii at Manoa as evidenced by the extensive waiting list for the sixty-seven apartments which are currently available on a short-term basis to eligible faculty.

Your Committee feels that the availability of housing is a crucial determinant in attracting quality faculty, and deems that a feasibility study exploring alternatives for short-term housing for faculty at the University of Hawaii is a necessary first step in the resolution of this critical problem.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 131 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 879-86 Higher Education and the Arts on H.C.R. No. 76

As indicated in the title of this measure the purpose of this concurrent resolution is to request the University of Hawaii to conduct a study on the need for, and the feasibility of, increasing the stock of short term housing for faculty at the Manoa campus.

Your Committee finds that there is a critical shortage of housing for new faculty members at the University of Hawaii at Manoa as evidenced by the extensive waiting list for the sixty-seven apartments which are currently available on a short-term basis to eligible faculty.

Your Committee feels that the availability of housing is a crucial determinant in attracting quality faculty, and deems that a feasibility study exploring alternatives for short-term housing for faculty at the University of Hawaii is a necessary first step in the resolution of this critical problem.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.C.R. No. 76 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 880-86 Human Services on H.R. No. 145

The purpose of this resolution, as originally drafted, is to request the Department of Social Services and Housing (DSSH) to make available at every one of its public welfare offices the most recent edition of the Hawaii Tax Map Key Alphabetical Index for verification of real property ownership of all public assistance applicants and recipients.

Your Committee received testimony in support of this resolution from the DSSH and Legislative Watch, a citizens group.

In FY 1984-1985, the cost of public assistance was more than \$285 million. Your Committee believes it is in the public interest to continue efforts to reduce or discourage fraud on the welfare rolls and to seek out and implement viable means of achieving this end, including independent ways of verifying the reported or unreported assets of those who are on public assistance or who apply for such relief.

The DSSH, which had been given a set of the Hawaii Tax Map Key Alphabetical Index, noted several deficiencies in its usage, including the fact that no match can be found if the client or applicant is not the first name listed in cases of joint ownerships of real property. Furthermore, the listing will not indicate whether the property is actually being used as a residence. The DSSH exempts real property actually used as a residence, irrespective of the equity, in accordance with federal regulation.

The Department also noted that the listing contains several volumes in a set and that only sets, not individual volumes, are available for leasing. Based on the number of welfare offices statewide, 44 sets would be needed at an annual lease cost of \$6,000.

The DSSH testified that conducting computer matches to verify real property ownership with the counties' real property division computer files may be more feasible as well as more effective. Believing it is in the public interest to cut down fraudulent use of taxpayer funds, your Committee therefore amended the resolution to reflect this recommendation and to request that the DSSH submit its findings as to the cost effectiveness of these computer matches prior to the convening of the Regular Session of 1987.

Your Committee also made technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 145, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 145, H.D. 1.

Signed by all members of the Committee.

SCRep. 881-86

Ocean and Marine Resources on S.C.R. No. 21

The purpose of this concurrent resolution is to request the State of Hawaii to strongly support Hawaiian Abalone Farms in its abalone growing and expansion activities at the Natural Energy Laboratory of Hawaii (NELH) and in the future at the Hawaii Ocean Science and Technology (HOST) Park. The concurrent resolution further provides for a declaration of intent by the State of Hawaii to acquire the proposed seawater pumping facility to be constructed by Hawaiian Abalone Farms valued at \$2 million and a kelp pond valued at \$600,000, in the unlikely event of default by Hawaiian Abalone Farms on its proposed commercial loan and federal loan guarantees from the Farmers Home Administration.

Your Committee received supportive testimony from the Department of Planning and Economic Development, the High Technology Development Corporation, the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, the Natural Energy Laboratory of Hawaii, Mr. William Richardson and Mr. George Lockwood, general partner of Hawaiian Abalone Farms.

Your Committee finds that the State of Hawaii has continually supported the need for diversification of new industries in order to ensure economic vitality in Hawaii, given the gaps left by declining sugar, pineapple, and cattle industries and to meet the employment needs of a growing population. The Hawaiian Abalone Farms of Hawaii has a promising future in this particular area, given that the demand for abalone is so large and production at present rather limited, making the price of abalone very attractive.

The Hawaiian Abalone Farms recently sought a loan guarantee from the Farmers Loan Administration (FHA) and was rejected because its leasehold interest in State-owned land provides insufficient collateral to secure the loan, and, that in the event of default on the loan and guarantee obligation, the leasehold interest and associated improvements at the NELH would be valueless to others. Governor George Ariyoshi has transmitted a letter to the FHA expressing the intent to have the State purchase the pumping plant and aquaculture pond should the unlikely event of loan default occur. S.C.R. No. 21 strengthens the Governor's position on this matter.

Mr. Lockwood from Hawaiian Abalone Farms indicated that the FHA would undertake a constructive re-evaluation of the loan guarantee request subject to passage of S.C.R. No. 21 and the Governor's letter.

Your Committee finds that the Hawaiian Abalone Farms has a high potential for success and could become a major source of employment in the North Kona area in the future, as well as contributing to the diversification of new industries in Hawaii.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of S.C.R. No. 21 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 882-86 Ocean and Marine Resources on H.R. No. 129

The purpose of this resolution is to request that the Governor of the State of Hawaii proclaim July 1986 as the U.S. Merchant Marine Month in Hawaii.

Supportive testimony was received by Mr. W. Richardson, Mr. James Rowland, Mr. Albert Sing and Mr. Abraham Kapana.

Your Committee finds that this measure commemorates the acts of honor and courage of merchant marines from Hawaii who valiantly served their country in World War II, some who have lost their lives as a result, and commends the on-going service of the U.S. Merchant Marines in Hawaii. Such valor has not received its due recognition until now. It is the intent of your Committee that this measure will give special note to these brave men and women and to give special recognition to the U.S. Merchant Marines in Hawaii.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 129 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 883-86 Ocean and Marine Resources and Consumer Protection and Commerce on H.R. No. 84

The purpose of this House Resolution is to request congressional action in improving the cost and availability of marine insurance for commercial fishers.

Your Committees find that a study funded through the National Council of Fishing Vessel Safety and Insurance entitled "Fishing Vessel Injury Alternative Compensation Analysis" recommends three important changes to the existing system which are reflected in this measure.

Your Committees on Ocean and Marine Resources and Consumer Protection and Commerce concur with the intent and purpose of House Resolution No. 84 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 884-86 Ocean and Marine Resources and Consumer Protection and Commerce on H.C.R. No. 52

The purpose of this House Concurrent Resolution is to request congressional action in improving the cost and availability of marine insurance for commercial fishers.

Your Committees find that a study funded through the National Council of Fishing Vessel Safety and Insurance entitled "Fishing Vessel Injury Alternative Compensation Analysis" recommends three important changes to the existing system which are reflected in this measure.

Your Committees on Ocean and Marine Resources and Consumer Protection and Commerce concur with the intent and purpose of House Concurrent Resolution No. 52 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 885-86 Public Employment and Government Operations on H.C.R. No. 62 (Majority)

The purpose of this concurrent resolution is to honor Dr. Martin Luther King, Jr., for his efforts to end bigotry, tyranny, and injustice through nonviolent resistance, and for his profound commitment to the ideals of equality and freedom by declaring his birthday a state holiday in 1987. The Governor is requested to make such a proclamation.

Your Committee heard testimony in support of this concurrent resolution from the Hawaii State Teachers Association, the National Association for the Advancement of Colored People (NAACP), students from Ahuimanu Elementary School and

other interested persons. All testified that a state holiday should be declared in honor of Dr. King to provide a meaningful opportunity to reflect on his significant achievements and sacrifices, to reaffirm the American ideals of freedom, justice, and equality, to promote nonviolent solutions to problems, and to guard against a recurrence of segregation.

Dr. King fought on behalf of not only black people, but all minorities. He was deeply concerned about the downtrodden, the oppressed, the subjugated, and the alienated, regardless of their race. Since Hawaii is comprised of minorities, it is most appropriate that Hawaii have a state holiday in honor of him.

Although declaring Dr. King's birthday a state holiday will entail financial cost, your Committee notes that poorer and wealthier states on the mainland have decided to commemorate this occasion, and that such costs are not as great as those borne by Dr. King and others who gave their lives to improve the socio-economic status of blacks and others in our country.

Your Committee makes clear that if Dr. King's birthday is declared a state holiday, constructive activities which honor his memory should be organized by community groups like the NAACP.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 62 and recommends that it be referred to the Committee on Finance.

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

SCRep. 886-86 Higher Education and the Arts on H.R. No. 102

The purpose of this resolution is to request the University of Hawaii to prepare a reorganization plan which would facilitate a move for the school of Travel Industry Management from its affiliation with the College of Business to independent status, in order to encourage greater internal University resource allocation to the school.

Your Committee has received testimony in favor of the resolution from the Dean of the School of Travel Industry Management and from the Hawaii Hotel Association.

Your Committee finds that advantages of separate school status, using top hotel schools on the mainland as models, include a better ability to respond to the needs of the tourism industry.

Your Committee also finds, however, that a study is appropriate to determine the effects of a move on the accreditation of the College of Business. Your Committee has therefore adopted the University's proposed amendment to include provision of a feasibility study relating to a reorganization plan and the title of the resolution has been amended accordingly. Submission of the study is designated for a date not later than twenty days prior to the convening of the Regular Session of 1987.

Your Committee on Higher Education and the Arts concurs with the purpose and intent of H.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 102, H.D. 1.

Signed by all members of the Committee.

SCRep. 887-86 Higher Education and the Arts on H.R. No. 153

The purpose of this resolution is to request a study and inventory of existing Koa forests, suggested methods of replenishment, and suggested harvesting guidelines which would ensure Koa's continued availability.

Testimony was received from the University to the effect that the cost of such a study could probably be accommodated out of existing resources.

Your Committee has amended this resolution to include the Department of Land

and Natural Resources participation and cooperation in the requested study.

You Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 153, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 153, H.D. 1.

Signed by all members of the Committee.

SCRep. 888-86 Higher Education and the Arts on H.R. No. 120

Your Committee finds that the offering of college credit courses during non-traditional hours would be a valuable public service to the many persons who desire advanced degrees but are unable to attend regular classes.

It is felt by your Committee that a feasibility study should be done to determine the best alternative in implementing such a program.

Your Committee has made a correction on the date of the submission of the study to 1987.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 120, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 120, H.D. 1.

Signed by all members of the Committee.

SCRep. 889-86 Higher Education and the Arts on H.R. No. 98

Your Committee finds that a center in Honolulu for performances and for educational and training purposes would be extremely desirable. It is felt by your Committee that a feasibility study should be done to determine whether or not the existing "Old Federal Building" would be a suitable site. The uniqueness of the building and its place on the National Register of Historic Places acknowledges its possible appropriateness as such a center.

Your Committee has amended the resolution by adding the following paragraphs:

"WHEREAS, the building is the property of the U.S. Postal service, which is currently leasing a portion of the building to the Department of Accounting and General Services until October 31, 1990: and"

"WHEREAS, because the building does not contain any area large enough for a theatre, extensive interior and exterior renovations of the building may be required and subject to approval by the appropriate state and federal review boards; and"

"BE IT FURTHER RESOLVED, that the study include, but not be limited to, estimates of parking requirements, renovation and operational costs associated with such a project, inquiries regarding the viewpoints of state and federal review boards with respect to any necessary structural changes to the building and a timetable for completion; and"

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 98, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 98, H.D. 1.

Signed by all members of the Committee.

SCRep. 890-86 Higher Education and the Arts on H.C.R. No. 61

Your Committee finds that a center in Honolulu for performances and for educational and training purposes would be extremely desirable. It is felt by your Committee that a feasibility study should be done to determine whether or not the existing "Old Federal Building" would be a suitable site. The uniqueness of the building and its place on the National Register of Historic Places acknowledges its

possible appropriateness as such a center.

Your Committee has amended the concurrent resolution by adding the following paragraphs:

"WHEREAS, the building is the property of the U.S. Postal service, which is currently leasing a portion of the building to the Department of Accounting and General Services until October 31, 1990: and"

"WHEREAS, because the building does not contain any area large enough for a theatre, extensive interior and exterior renovations of the building may be required and subject to approval by the appropriate state and federal review boards; and"

"BE IT FURTHER RESOLVED, that the study include, but not be limited to, estimates of parking requirements, renovation and operational costs associated with such a project, inquiries regarding the viewpoints of state and federal review boards with respect to any necessary structural changes to the building and a timetable for completion; and"

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.C.R. No. 61, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 61, H.D. 1.

Signed by all members of the Committee.

SCRep. 891-86 Higher Education and the Arts on H.R. No. 118

The purpose of this resolution is to request the University of Hawaii to conduct a feasibility study of alternate systems for delivering higher education services to residents of West Hawaii, with special attention to demographics, construction, the possibility of establishing a permanent facility, utilization of Hawaii Interactive Television System, and a timetable for planning, design, construction and staffing.

Your Committee received testimony in support of the resolution from the Acting Chancellor of the University of Hawaii at Hilo, and finds that there is a need for expanded education services in the rapidly growing area of West Hawaii, and that such a study is appropriate.

Upon further deliberation, your Committee amended the resolution to provide for the submittal of the requested study to the Legislature rather than the House Committee on Higher Education and the Arts. Other technical, non-substantive amendments have also been made.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 118, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 118, H.D. 1.

Signed by all members of the Committee.

SCRep. 892-86 Higher Education and the Arts on H.C.R. No. 72

The purpose of this concurrent resolution is to request the University of Hawaii to conduct a feasibility study of alternate systems for delivering higher education services to residents of West Hawaii, with special attention to demographics, construction, the possibility of establishing a permanent facility, utilization of Hawaii Interactive Television System, and a timetable for planning, design, construction and staffing.

Your Committee received testimony in support of the concurrent resolution from the Acting Chancellor of the University of Hawaii at Hilo, and finds that there is a need for expanded education services in the rapidly growing area of West Hawaii, and that such a study is appropriate.

Upon further deliberation, your Committee amended the concurrent resolution to provide for the submittal of the requested study to the Legislature rather than

the House Committee on Higher Education and the Arts. Other technical, non-substantive amendments have also been made.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.C.R. No. 72, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 72, H.D. 1.

Signed by all members of the Committee.

SCRep. 893-86 Higher Education and the Arts on H.R. No. 117

The purpose of this resolution is to confer upon community college faculty the titles of Professor, Associate Professor, Assistant Professor, and Instructor, rather than continue use of numerically designated instructor level titles.

According to testimony, the present system works reasonably well, and therefore the community colleges would like to study the issue before taking any action. Reportedly, there is no clear consensus to change existing practice within the Community Colleges.

Your Committee has therefore amended the resolution to request the University of Hawaii to study the question of conferring traditional academic titles upon faculty.

Your Committee has also changed the title of the resolution to reflect the new purpose.

Your Committee on Higher Education and the Arts 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. 894-86 Higher Education and the Arts on H.C.R. No. 71

The purpose of this concurrent resolution is to confer upon community college faculty the titles of Professor, Associate Professor, Assistant Professor, and Instructor, rather than continue use of numerically designated instructor level titles.

According to testimony, the present system works reasonably well, and therefore the community colleges would like to study the issue before taking any action. Reportedly, there is no clear consensus to change existing practice within the Community Colleges.

Your Committee has therefore amended the concurrent resolution to request the University of Hawaii to study the question of conferring traditional academic titles upon faculty.

Your Committee has also changed the title of the concurrent resolution to reflect the new purpose.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.C.R. No. 71, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 71, H.D. 1.

Signed by all members of the Committee.

SCRep. 895-86 Higher Education and the Arts on H.R. No. 154

The purpose of this resolution is to request an assessment of the Northeast Missouri State University program merits, and a recommendation as to the feasibility of its implementation here locally in Hawaii's higher education facilities.

Your Committee received supportive testimony from the University of Hawaii.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 154 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 896-86 Higher Education and the Arts and Water, Land Use,
Development and Hawaiian Affairs on H.R. No. 121

The purpose of this resolution is to request certain government officials to be involved in developing an action plan to attract the National New Technology Telescope to Mauna Kea, with attention focused on developing Mauna Kea's infrastructure, simplifying the permit process, reducing intrusion of local interests, and promotion.

Your Committees received favorable testimony from the Director of the Institute of Astronomy at the University of Hawaii.

Your Committees find Mauna Kea to be an ideal location for the development of an international center for astronomy. Your Committees feel it will serve as an impetus to economic and academic growth in Hawaii.

Your Committees have amended the resolution to include the State Legislature and the Director of Planning and Economic Development among the list of government officials to be involved in this endeavor, and has added the President of the Senate, the Speaker of the House, and the Director of the Department of Planning and Economic Development, to the list of those who are to receive certified copies of this resolution.

Your Committees on Higher Education and the Arts and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 121, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 121, H.D. 1.

Signed by all members of the Committees.

SCRep. 897-86 Health on H.R. No. 176

The purpose of this resolution is to request the Legislative Auditor to conduct a study to determine the feasibility of providing an independent review of a decision of the State Health Planning and Development Agency to deny or approve an application for a certificate of need, such review to be made upon request.

Under presently existing statutory provisions, the State Health Planning and Development Agency (SHPDA) issues a "certificate of need" which, among other things, authorizes the construction, expansion, alteration, or conversion of a health care facility. Prior to its making a determination of the issuance of the certificate, SHPDA receives recommendations from the statewide health coordinating council, a subarea council, and the review panel created by statute to review applications for certificates of need. In all cases, the recommendations of the statewide council, the subarea council, and the review panel are not binding on SHPDA.

Although a decision of SHPDA is appealable to the circuit court, aside from a request for reconsideration, there is no other avenue for an appeal.

Your Committee finds that a review process, prior to a judicial appeal, independent of the State Health Planning and Development Agency, may be desirable in order to increase accessibility, acceptability, continuity, and to improve the quality of health services.

Your Committee has amended this resolution to provide that the Legislative Reference Bureau and not the Office of the Legislative Auditor shall be requested to make the study.

Your Committee on Health concurs with the intent and purpose of H.R. No. 176, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 176, H.D. 1.

Signed by all members of the Committee.

SCRep. 898-86

Health on H.C.R. No. 108

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study to determine the feasibility of providing an independent review of a decision of the State Health Planning and Development Agency to deny or approve an application for a certificate of need, such review to be made upon request.

Under presently existing statutory provisions, the State Health Planning and Development Agency (SHPDA) issues a "certificate of need" which, among other things, authorizes the construction, expansion, alteration, or conversion of a health care facility. Prior to its making a determination of the issuance of the certificate, SHPDA receives recommendations from the statewide health coordinating council, a subarea council, and the review panel created by statute to review applications for certificates of need. In all cases, the recommendations of the statewide council, the subarea council, and the review panel are not binding on SHPDA.

Although a decision of SHPDA is appealable to the circuit court, aside from a request for reconsideration, there is no other avenue for an appeal.

Your Committee finds that a review process, prior to a judicial appeal, independent of the State Health Planning and Development Agency, may be desirable in order to increase accessibility, acceptability, continuity, and to improve the quality of health services.

Your Committee has amended this concurrent resolution to provide that the Legislative Reference Bureau and not the Office of the Legislative Auditor shall be requested to make the study.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 108, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 108, H.D. 1.

Signed by all members of the Committee.

SCRep. 899-86

Education on S.C.R. No. 1

The purpose of this resolution is to request the Legislative Auditor to conduct a financial, management and program audit of the Department of Education and report his findings and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1987.

Your Committee finds that there has been a growing concern expressed by the legislature that the Department of Education has become administratively top-heavy and is long overdue for administrative review.

Your Committee finds that the last management audit of the Department was conducted in 1973 pursuant to a legislative directive. That audit found deficiencies in management.

Your Committee heard testimony from the Department of Education. The Department testified that it is in support of this resolution with the view that a financial, management and program audit by an independent agency will help the Department focus on needed changes.

Your Committee has concerns regarding the short period of time requested to conduct a financial, management and program audit of the Department. The 1973 audit of the Department took three years to complete. This concern has been discussed with the Chairman of the Senate Education Committee. The Senate Chairman has agreed to narrow the scope of the audit.

Your Committee has amended the title of this concurrent resolution to read: "REQUESTING A MANAGEMENT AUDIT OF THE DEPARTMENT OF EDUCATION". Your Committee has also amended the concurrent resolution to delete "financial" and "program" from the scope of the audit. This amendment resolves to limit the scope of the audit to that of a "management audit".

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 1, as amended herein, and recommends that it be referred to the Committee

on Finance, in the form attached hereto as S.C.R. No. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 900-86 Planning, Energy and Environmental Protection on H.R. No.
161 (Majority)

The purpose of this Resolution is to request the Department of Health to maintain environmentally sound air quality standards and air pollution rules.

Your Committee finds that the high quality of the State's air is desirable not only for the maintenance and protection of the public's health but also because of its essential role in Hawaii's unique and beautiful environment which is so important to our State's economy. Existing air monitoring data indicate that Hawaii's air quality is significantly better than most areas on the mainland and that with only a few exceptions, ambient air quality throughout the State is better than current stringent air quality standards. Currently, the Department of Health is in the process of revising State air rules and standards. In this regard, your Committee encourages the adoption of environmentally sound rules and standards.

Your Committee received supporting testimony from the Hawaiian Electric Company, the Hawaiian Sugar Planters' Association, the Sierra Club, the American Lung Association and the True Geothermal Energy Company. Testimony presented by the Department of Health indicated concern over the Resolution's restrictive nature and the possible costs that would be associated with increased monitoring. Therefore, your Committee has amended this Resolution by directing the Department to formulate ambient air quality standards and air pollution control rules toward maintaining ambient air quality "better than existing National Ambient Air Quality Standards" (NAAQS) rather than toward maintaining "present levels of" ambient air quality. Your Committee finds that this amendment would request the Department to maintain standards which they are already obligated to follow. Your Committee feels that this amendment would provide the Department with the necessary flexibility and would carry no implications of cost.

Your Committee has further amended this Resolution to address other concerns and suggestions presented at the hearing.

Your Committee on Planning, Energy and Environmental Protection concurs 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 Committee.
(Representative Say did not concur.)

SCRep. 901-86 Health on H.R. No. 59

The purpose of this resolution is to make a request to the City and County of Honolulu to reconsider its present practice which results in ambulances bypassing the Waianae Coast Comprehensive Health Center and to provide information on the progress being made in resolving the situation.

The State Department of Health presented testimony to the effect that it is responsible for the establishment and maintenance of a statewide emergency medical services system under the provisions of the Hawaii Revised Statutes. It implements its authority by establishing the standards, policies and procedures for the operation of the emergency medical services system.

The Department further presented testimony indicating that it is aware of the situation and that it is working with the Waianae Coast Comprehensive Health Center in evaluating the present practice of having emergency ambulances bypass the Center. The Department also indicated that a study is currently underway which would result in the categorization of medical facilities. By this study, the Department hopes to be able to identify the readiness and capability of a facility and its staff to receive and treat emergency patients.

Your Committee agrees that the Department is attempting to resolve the situation, but it finds that the study will not necessarily fully address the existing

situation. It further finds that the Department is not proceeding quickly enough to resolve the problem. Your Committee, therefore, has amended this resolution to reflect its concerns about this lack of progress.

Your Committee on Health concurs with the intent and purpose of H.R. No. 59, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 59, H.D. 1.

Signed by all members of the Committee except Representative Jones.

SCRep. 902-86 Health on H.C.R. No. 32

The purpose of this concurrent resolution is to make a request to the City and County of Honolulu to reconsider its present practice which results in ambulances by-passing the Waianae Coast Comprehensive Health Center and to provide information on the progress being made in resolving the situation.

The State Department of Health presented testimony to the effect that it is responsible for the establishment and maintenance of a statewide emergency medical services system under the provisions of the Hawaii Revised Statutes. It implements its authority by establishing the standards, policies and procedures for the operation of the emergency medical services system.

The Department further presented testimony indicating that it is aware of the situation and that it is working with the Waianae Coast Comprehensive Health Center in evaluating the present practice of having emergency ambulances by-pass the Center. The Department also indicated that a study is currently underway which would result in the categorization of medical facilities. By this study, the Department hopes to be able to identify the readiness and capability of a facility and its staff to receive and treat emergency patients.

Your Committee agrees that the Department is attempting to resolve the situation, but it finds that the study will not necessarily fully address the existing situation. It further finds that the Department is not proceeding quickly enough to resolve the problem. Your Committee, therefore, has amended this concurrent resolution to reflect its concerns about this lack of progress.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 32, H.D. 1.

Signed by all members of the Committee except Representative Jones.

SCRep. 903-86 Health on H.R. No. 168

The purpose of this resolution is to urge the Department of Health to upgrade the emergency ambulance service available to residents of the north shore of Kauai from basic life support to advanced life support.

At the present time, advanced life support ambulance service is available to the residents of the north shore of Kauai only from the Lihue station. This means that in an emergency requiring advanced life support ambulance service, the ambulance must travel up to 35 miles with a response time of as long as 45 minutes.

An advanced life support ambulance must be staffed by personnel who are qualified, among other things, to start intravenous lines, administer drugs, and perform most of the lifesaving techniques performed by an emergency room physician including intubation, release of a tension pneumothorax, advanced cardiac life support drugs and maneuvers, and defibrillation or cardioversion. Ambulance service with such a qualified staff is not now available on a timely basis to residents of the north shore of Kauai.

Your Committee finds that the population of the north shore of Kauai has grown considerably over the past few years, increasing at an annual rate of 11% as compared to 4% for the rest of the island, and it further finds that the residents of the north shore are entitled to and are in urgent need of advanced life support ambulance service which would be available on a timely basis.

In conformity with its finding and in order to strengthen this resolution, your Committee has amended the title by substituting the word "URGING" for the word "REQUESTING".

Your Committee on Health concurs with the intent and purpose of H.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 168, H.D. 1.

Signed by all members of the Committee.

SCRep. 904-86 Health on H.C.R. No. 105

The purpose of this concurrent resolution is to urge the Department of Health to upgrade the emergency ambulance service available to residents of the north shore of Kauai from basic life support to advanced life support.

At the present time, advanced life support ambulance service is available to the residents of the north shore of Kauai only from the Lihue station. This means that in an emergency requiring advanced life support ambulance service, the ambulance must travel up to 35 miles with a response time of as long as 45 minutes.

An advanced life support ambulance must be staffed by personnel who are qualified, among other things, to start intravenous lines, administer drugs, and perform most of the lifesaving techniques performed by an emergency room physician including intubation, release of a tension pneumothorax, advanced cardiac life support drugs and maneuvers, and defibrillation or cardioversion. Ambulance service with such a qualified staff is not now available on a timely basis to residents of the north shore of Kauai.

Your Committee finds that the population of the north shore of Kauai has grown considerably over the past few years, increasing at an annual rate of 11% as compared to 4% for the rest of the island, and it further finds that the residents of the north shore are entitled to and are in urgent need of advanced life support ambulance service which would be available on a timely basis.

In conformity with its finding and in order to strengthen this concurrent resolution, your Committee has amended the title by substituting the word "URGING" for the word "REQUESTING".

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 105, H.D. 1.

Signed by all members of the Committee.

SCRep. 905-86 Higher Education and the Arts on H.R. No. 119

The purpose of this resolution is to coordinate the needs of government agencies with student research interests. This would increase the potential for students to undertake research projects for various government agencies, making such research more relevant to Hawaii's needs.

Your Committee received testimony in favor of the resolution from the University of Hawaii.

Your Committee believes that University faculty should be involved in projects of direct benefit to Hawaii, and their involvement would allow for larger (i.e. longer-term) projects to be included in the coordination effort. Your Committee has therefore amended the resolution to include faculty, to delete the words "small-scale", and to broaden the title accordingly.

Your Committee on Higher Education and the Arts concurs with the purpose and intent of H.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 119, H.D. 1.

Signed by all members of the Committee.

SCRep. 906-86 Higher Education and the Arts and Tourism on H.R. No. 92

The purpose of this resolution is to encourage police officers and emergency medical personnel to learn to communicate in basic Japanese, and to request the University of Hawaii to design programs for this purpose.

Your Committees received testimony in support of the resolution from the University, the Honolulu Police Department, and the Hawaii Hotel Association.

Your Committees find that training in basic Japanese language would be reasonably related to the responsibilities of police officers and emergency medical personnel and would be advantageous in providing safety and comfort to Hawaii's many Japanese-speaking tourists.

Your Committees have made a technical, non-substantive amendment.

Your Committees on Higher Education and the Arts and Tourism concur with the purpose and intent of H.R. No. 92, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 92, H.D. 1.

Signed by all members of the Committees.

SCRep. 907-86 Higher Education and the Arts and Tourism on H.C.R. No. 56

The purpose of this concurrent resolution is to encourage police officers and emergency medical personnel to learn to communicate in basic Japanese, and to request the University of Hawaii to design programs for this purpose.

Your Committees received testimony in support of the concurrent resolution from the University, the Honolulu Police Department, and the Hawaii Hotel Association.

Your Committees find that training in basic Japanese language would be reasonably related to the responsibilities of police officers and emergency medical personnel and would be advantageous in providing safety and comfort to Hawaii's many Japanese-speaking tourists.

Your Committees have made a technical, non-substantive amendment.

Your Committees on Higher Education and the Arts and Tourism concur with the purpose and intent of H.C.R. No. 56, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 56, H.D. 1.

Signed by all members of the Committees.

SCRep. 908-86 Higher Education and the Arts and Education on H.R. No. 155

The purpose of this resolution is to urge the University of Hawaii to expand the Hilo campus teacher education program to include a fifth year degree in education.

Your Committees received testimony in support of the resolution from the Department of Education, the Hawaii County Economic Opportunity Council, and the University of Hawaii at Hilo, and find that such a program would increase enrollment and help alleviate the teacher shortage problem.

Your Committees on Higher Education and the Arts and Education concur with the intent and purpose of H.R. No. 155 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 909-86 Education on H.R. No. 205

The purpose of this resolution is to request an amendment to the Department of Education's regulations to permit home education by parents. The Department of Education currently permits home education by parents based on Regulation 4140.1.1a which implements Section 298-9, Hawaii Revised Statutes. Specifically,

Regulation 4140.1.1a states "a tutor shall be a person who has at a minimum earned a bachelor's degree from a regionally accredited college or university."

Your Committee heard testimony from several parents in favor of the resolution.

Your Committee also heard from the Department of Education. The Department is not opposed to a study of home education regulations and the possibility of amending current rules and regulations. The resolution presently calls for an amendment without the benefit of research, review and study. Your Committee finds that such a study is needed.

Your Committee has made the following amendments to this resolution: 1) the Superintendent of Education is requested to study the Department of Education's regulations concerning home education by parents; 2) the Superintendent of Education, in studying these regulations, may consult with representatives selected from the list of home educators testifying before the House Education Committee on House Bill No. 1774-86, as well as other interested home schoolers; 3) the Superintendent of Education is to submit a report to the Legislature twenty days before the convening of the Regular Session of 1987 as to the progress of the study concerning home education by parents and on the general progress and current status of home education in Hawaii; and 4) technical, nonsubstantive amendments are made for the purpose of style and clarity.

Your Committee on Education concurs with the intent and purpose of H.R. No. 205, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 205, H.D. 1.

Signed by all members of the Committee except Representative Nakasato.

SCRep. 910-86 Education on H.C.R. No. 131

The purpose of this concurrent resolution is to request an amendment to the Department of Education's regulations to permit home education by parents. The Department of Education currently permits home education by parents based on Regulation 4140.1.1a which implements Section 298-9, Hawaii Revised Statutes. Specifically, Regulation 4140.1.1a states "a tutor shall be a person who has at a minimum earned a bachelor's degree from a regionally accredited college or university."

Your Committee heard testimony from several parents in favor of the concurrent resolution.

Your Committee also heard from the Department of Education. The Department is not opposed to a study of home education regulations and the possibility of amending current rules and regulations. The concurrent resolution presently calls for an amendment without the benefit of research, review and study. Your Committee finds that such a study is needed.

Your Committee has made the following amendments to this concurrent resolution: 1) the Superintendent of Education is requested to study the Department of Education's regulations concerning home education by parents; 2) the Superintendent of Education, in studying these regulations, may consult with representatives selected from the list of home educators testifying before the House Education Committee on House Bill No. 1774-86, as well as other interested home schoolers; 3) the Superintendent of Education is to submit a report to the Legislature twenty days before the convening of the Regular Session of 1987 as to the progress of the study concerning home education by parents and on the general progress and current status of home education in Hawaii; and 4) technical, nonsubstantive amendments are made for the purpose of style and clarity.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 131, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 131, H.D. 1.

Signed by all members of the Committee except Representative Nakasato.

SCRep. 911-86 Transportation on H.R. No. 146

The purpose of this resolution is to request a report on the feasibility of

establishing a customs and immigration point of entry facility at the General Lyman Field in Hilo.

Your Committee finds that the increasingly heavy flow of foreign air traffic at the Honolulu International Airport has resulted in passengers being unduly detained for long periods of time for custom and immigration checks.

Your Committee received testimony from the Department of Transportation citing a number of federal requirements which have to be met before a point of entry facility can be established. The Department of Transportation further noted there has been a cutback in manpower by the federal government, and the number of inspectors is less today than it was several years ago.

If another point of entry facility were to be established, the Department of Transportation feels it may result in more congestion. Its concern is that inspectors for the new facility would most likely be taken from Honolulu and not from other states, thus splitting the existing manpower and reducing effectiveness. However, the Department of Transportation has no objections to conducting a study on the feasibility of establishing a point of entry facility at General Lyman Field in Hilo.

Your Committee also received testimony from the Hawaii County Council, the Office of the Mayor, County of Hawaii and the Kanoelehua Industrial Area Association supporting the resolution.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 146 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.

SCRep. 912-86 Transportation on H.C.R. No. 89

The purpose of this concurrent resolution is to request a report on the feasibility of establishing a customs and immigration point of entry facility at the General Lyman Field in Hilo.

Your Committee finds that the increasingly heavy flow of foreign air traffic at the Honolulu International Airport has resulted in passengers being unduly detained for long periods of time for custom and immigration checks.

Your Committee received testimony from the Department of Transportation citing a number of federal requirements which have to be met before a point of entry facility can be established. The Department of Transportation further noted there has been a cutback in manpower by the federal government, and the number of inspectors is less today than it was several years ago.

If another point of entry facility were to be established, the Department of Transportation feels it may result in more congestion. Its concern is that inspectors for the new facility would most likely be taken from Honolulu and not from other states, thus splitting the existing manpower and reducing effectiveness. However, the Department of Transportation has no objections to conducting a study on the feasibility of establishing a point of entry facility at General Lyman Field in Hilo.

Your Committee also received testimony from the Hawaii County Council, the Office of the Mayor, County of Hawaii and the Kanoelehua Industrial Area Association supporting the concurrent resolution.

Your Committee on Transportation 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 except Representative Nakasato.

SCRep. 913-86 Transportation and Water, Land Use, Development and
Hawaiian Affairs on H.R. No. 34

The purpose of this resolution is to request the formulation of a plan for improvements at Kukuiula Harbor by the Department of Transportation, the County of Kauai and the United States Corps of Engineers.

Your Committees find that Kukuila Harbor is the only ocean access on the South Shore of Kauai as well as the only year-round boating facility on the island. The harbor is heavily utilized by residents, commercial businesses and visitors to the area. In order to accommodate and maintain the present level of recreational and business activities, your Committees agree that a plan of improvements should be formulated by the appropriate agencies.

Your Committees received testimony from the Department of Transportation, that it has met with local community organizations, County officials and the United States Corps of Engineers to look at specific types of improvements in light of the overall development of the harbor area.

Your Committees on Transportation and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 34, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Nakasato.

SCRep. 914-86 Water, Land Use, Development and Hawaiian Affairs and
Planning, Energy and Environmental Protection on H.R. No.
149

The purpose of this resolution is to request the Natural Energy Laboratory of Hawaii (NELH) and the High Technology Development Corporation (HTDC) to consider providing a back-up supply system for the present cold seawater system serving their facilities at Keahole Point on the Island of Hawaii.

Your Committees find that NELH is the only site in the world with a continuous supply of deep, cold seawater for the purpose of Ocean Thermal Energy Conversion and related experiments. Cold seawater is also successfully used for aquaculture at NELH. Your Committees are of the opinion that it might be a unique and valuable resource at the Hawaii Ocean Science and Technology (HOST) Park being developed at Keahole Point by HTDC. However, according to testimony by the Department of Planning and Economic Development, the only cold seawater system is a twelve-inch diameter interim pipe installed in 1981 for use by NELH, and rough weather conditions often damage the pipe complex, thereby causing delays and economic harm to operations at the Park.

Your Committees are in agreement with the intent of this resolution inasmuch as existing and potential tenants at Keahole Point, who may be dependent on cold-seawater technologies, encourage business investments and economic development for the people of Hawaii. Your Committees have made the following amendments:

(1) To add the phrase "and funding requests" immediately after the word "plan" on line 4 of the first "BE IT FURTHER RESOLVED" clause, such that NELH and HTDC submit, to the Legislature next year, not only their plans for providing the proposed back-up system but also the funding requests necessary to install these additional back-up pipes;

(2) To specify in the last "BE IT FURTHER RESOLVED" clause that the Executive Directors of NELH and of HTDC would receive certified copies of this resolution; and

(3) To make technical, non-substantive amendments for the purpose of clarity and style.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Planning, Energy and Environmental Protection concur with the intent and purpose of H.R. No. 149, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 149, H.D. 1.

Signed by all members of the Committees.

SCRep. 915-86 Water, Land Use, Development and Hawaiian Affairs and
Planning, Energy and Environmental Protection on H.C.R.
No. 93

The purpose of this concurrent resolution is to request the Natural Energy

Laboratory of Hawaii (NELH) and the High Technology Development Corporation (HTDC) to consider providing a back-up supply system for the present cold seawater system serving their facilities at Keahole Point on the Island of Hawaii.

Your Committees find that NELH is the only site in the world with a continuous supply of deep, cold seawater for the purpose of Ocean Thermal Energy Conversion and related experiments. Cold seawater is also successfully used for aquaculture at NELH. Your Committees are of the opinion that it might be a unique and valuable resource at the Hawaii Ocean Science and Technology (HOST) Park being developed at Keahole Point by HTDC. However, according to testimony by the Department of Planning and Economic Development, the only cold seawater system is a twelve-inch diameter interim pipe installed in 1981 for use by NELH, and rough weather conditions often damage the pipe complex, thereby causing delays and economic harm to operations at the Park.

Your Committees are in agreement with the intent of this concurrent resolution inasmuch as existing and potential tenants at Keahole Point, who may be dependent on cold-seawater technologies, encourage business investments and economic development for the people of Hawaii. Your Committees have made the following amendments:

(1) To add the phrase "and funding requests" immediately after the word "plan" on line 4 of the first "BE IT FURTHER RESOLVED" clause, such that NELH and HTDC submit, to the Legislature next year, not only their plans for providing the proposed back-up system but also the funding requests necessary to install these additional back-up pipes;

(2) To specify in the last "BE IT FURTHER RESOLVED" clause that the Executive Directors of NELH and of HTDC would receive certified copies of this concurrent resolution; and

(3) To make technical, non-substantive amendments for the purpose of clarity and style.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Planning, Energy and Environmental Protection concur with the intent and purpose of H.C.R. No. 93, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 93, H.D. 1.

Signed by all members of the Committees.

SCRep. 916-86

Water, Land Use, Development and Hawaiian Affairs and
Ocean and Marine Resources on S.C.R. No. 16

The purpose of this concurrent resolution is to dispose of certain government submerged lands, offshore and seaward of Kailua-Kona, Hawaii, to be established as a mooring anchor for an offshore fishing platform.

S.C.R. No. 16 and H.C.R. No. 34 are companion concurrent resolutions.

Under present law, Section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources (BLNR) may lease, or grant easement over, submerged lands and lands beneath tidal waters. However, this disposition is made only with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. According to testimony by BLNR, the Governor has already granted approval of the proposed disposition of the easement, to be set up as a mooring anchor off Kailua-Kona. The purpose of the mooring is its use as a fishing platform. It will be a converted ocean-going barge which is planned, designed, and equipped to serve as a fish aggregating device, a marine research laboratory, a base for rearing mahimahi, and a pleasure site for local fishermen.

Your Committees are in agreement that the proposed disposition would encourage economic research and development in the area of marine resources and enable the State to receive income therefrom. Moreover, your Committees are cognizant of statutory procedures through which the Board may grant final disposition of government submerged lands and lands beneath tidal waters. Authority is given to the Board, only after prior approval of the Governor and prior authorization of the Legislature by concurrent resolution. Neither the Board nor the applicant for

land lease should presume that, without final passage of the concurrent resolution, development of the proposed easement may proceed.

Your Committees have amended S.C.R. No. 16, S.D. 1, in the same manner as proposed in H.C.R. No. 34, H.D. 1. All such amendments are technical and non-substantive for the purpose of grammatical correction, clarity, and style.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Ocean and Marine Resources concur with the intent and purpose of S.C.R. No. 16, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 16, S.D. 1, H.D. 1.

Signed by all members of the Committees.

SCRep. 917-86 Water, Land Use, Development and Hawaiian Affairs;
Agriculture; and Planning, Energy and Environmental
Protection on H.R. No. 133

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint a House interim committee to review the findings and recommendations of the Land Evaluation and Site Assessment (LESA) Commission. The resolution further directs the interim committee to submit a report of its findings and recommendations to the House of Representatives before the convening of the Regular Session of 1987.

According to testimony by the LESA Commission, the adoption and implementation of the LESA system would permit the State and county governments to carry out the objectives of the Hawaii State Constitution regarding the agricultural sector of Hawaii's economy. The Commission further believes that the proposed system could simplify and clarify land management functions and responsibilities of the State and counties. Your Committees are in agreement that the implementation of the LESA system involves substantial changes to existing laws and deserves careful consideration of their effects on other land management functions and responsibilities. The appointment of an interim committee would assist the Legislature in understanding the Commission's proposed LESA system to identify important agricultural lands and the implementing processes.

Your Committees on Water, Land Use, Development and Hawaiian Affairs; Agriculture; and Planning, Energy and Environmental Protection concur with the intent and purpose of H.R. No. 133 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

SCRep. 918-86 Water, Land Use, Development and Hawaiian Affairs on
H.R. No. 162

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to evaluate the feasibility of implementing portions of the Hapuna Beach State Park Master Plan, adopted in 1970, to provide for improved public access to Wailea Bay, expanded parking facilities, and the construction of restroom and shower facilities, campsites, and other improvements.

Your Committee finds that the Legislature adopted the Master Plan in 1970, in anticipation of the need for additional recreational facilities in West Hawaii. Today, Hapuna Beach is one of the most frequently used recreational areas on the Big Island. However, according to testimony by the Office of the Mayor, County of Hawaii, and by the Kona-Kohala Chamber of Commerce, basic facilities earmarked in the Master Plan have not yet been developed, and a very real community frustration in West Hawaii over the lack of progress in implementing the Master Plan exists. Your Committee is in agreement that DLNR should determine an appropriate course of action for Hapuna Beach State Recreational Area and report its findings to the Legislature.

Your Committee has amended the resolution by referring to the Department of Land and Natural Resources as the Board of Land and Natural Resources. Other technical, non-substantive amendments have been made for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 162, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 162, H.D. 1.

Signed by all members of the Committee.

SCRep. 919-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 97

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to evaluate the feasibility of implementing portions of the Hapuna Beach State Park Master Plan, adopted in 1970, to provide for improved public access to Wailea Bay, expanded parking facilities, and the construction of restroom and shower facilities, campsites, and other improvements.

Your Committee finds that the Legislature adopted the Master Plan in 1970, in anticipation of the need for additional recreational facilities in West Hawaii. Today, Hapuna Beach is one of the most frequently used recreational areas on the Big Island. However, according to testimony by the Office of the Mayor, County of Hawaii, and by the Kona-Kohala Chamber of Commerce, basic facilities earmarked in the Master Plan have not yet been developed, and a very real community frustration in West Hawaii over the lack of progress in implementing the Master Plan exists. Your Committee is in agreement that DLNR should determine an appropriate course of action for Hapuna Beach State Recreational Area and report its findings to the Legislature.

Your Committee has amended the concurrent resolution by referring to the Department of Land and Natural Resources as the Board of Land and Natural Resources. Other technical, non-substantive amendments have been made for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 97, H.D. 1.

Signed by all members of the Committee.

SCRep. 920-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 115

The purpose of this concurrent resolution is to provide for legislative authorization to the Department of Transportation (DOT) to dispose, by way of a lease, of certain government submerged lands (TMK 2-1-58-2P and Parcel 38) situated at Kewalo Basin in Honolulu for exclusive rights for thirty-five years for a shipyard facility.

Your Committee received testimony from DOT in support of this concurrent resolution.

However, DOT requested an amendment to the "BE IT RESOLVED" clause, to correct the number of square footage in the area of submerged lands to be leased, from 43,808 to 33,616. Your Committee has made such an amendment. Other technical, non-substantive amendments, including one in the title, have been made for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 115, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 115, H.D. 1.

Signed by all members of the Committee.

SCRep. 921-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 116

The purpose of this concurrent resolution is to provide for legislative authori-

zation to the Department of Transportation (DOT) to dispose, by way of a lease, of certain government submerged lands (TMK 1-1-2-1P) situated at Pier 41, Honolulu Harbor, for exclusive rights for thirty-five years for a shipyard facility.

Your Committee received testimony from DOT in support of this concurrent resolution.

However, DOT requested an amendment to the "BE IT RESOLVED" clause, to correct the number of square footage in the area of submerged lands to be leased, from 39,950 to 35,950. Your Committee has made such an amendment. Other technical, non-substantive amendments, including one in the title, have been made for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 116, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 116, H.D. 1.

Signed by all members of the Committee.

SCRep. 922-86 Legislative Management on H.R. No. 135

The purpose of this resolution is to request that the Speaker of the House provide for the opening of the House Chambers during the interim in order to provide greater access to the State Capitol for residents and visitors alike, and to allow the House Sergeant-At-Arms' tour program, currently being conducted during the session, to continue on a year-round basis.

Your Committee received testimony from the Hawaii Visitors Bureau, the Chamber of Commerce of Hawaii, the Hawaii Hotel Association, Common Cause/Hawaii, the House of Representatives Sergeant-At-Arms, and the Hawaii Cruise Board Owners Association all strongly in favor of this resolution.

Common Cause suggested that perhaps, in the interest of economy, the hours during which the Chambers are opened should be limited to an hour or two in the mornings and afternoons or to specific days during the week. Upon consideration, your Committee believes that it is best to leave the particular method of opening the Chambers to the Speaker of the House and the President of the Senate so that each may have the latitude necessary to carry out a workable program which can be modified to meet the needs.

After having the privilege of taking the tour of the House Chambers offered by the House Sergeant-At-Arms, your Committee understands why this tour is considered such a great success and why it has been so well received by visitors as well as residents. Your Committee hopes that by extending the hours during which the Chambers are open, the tour program can continue to grow and develop further.

Your Committee has amended the resolution to emphasize that the Speaker of the House and the President of the Senate have full latitude to decide when, and if, their respective Chambers will be open to the public, and that the House of Representatives supports daily opening during the interim as demand requires.

Your Committee also made technical, nonsubstantive amendments to the resolution for purposes of style and clarity.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 135, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 135, H.D. 1.

Signed by all members of the Committee.

SCRep. 923-86 Legislative Management on H.C.R. No. 77

The purpose of this concurrent resolution is to request that the Speaker of the House provide for the opening of the House Chambers during the interim in order to provide greater access to the State Capitol for residents and visitors alike, and to allow the House Sergeant-At-Arms' tour program, currently being conducted during the session, to continue on a year-round basis.

Your Committee received testimony from the Hawaii Visitors Bureau, the Chamber of Commerce of Hawaii, the Hawaii Hotel Association, Common Cause/Hawaii, the House of Representatives Sergeant-At-Arms, and the Hawaii Cruise Board Owners Association all strongly in favor of this concurrent resolution.

Common Cause suggested that perhaps, in the interest of economy, the hours during which the Chambers are opened should be limited to an hour or two in the mornings and afternoons or to specific days during the week. Upon consideration, your Committee believes that it is best to leave the particular method of opening the Chambers to the Speaker of the House and the President of the Senate so that each may have the latitude necessary to carry out a workable program which can be modified to meet the needs.

After having the privilege of taking the tour of the House Chambers offered by the House Sergeant-At-Arms, your Committee understands why this tour is considered such a great success and why it has been so well received by visitors as well as residents. Your Committee hopes that by extending the hours during which the Chambers are open, the tour program can continue to grow and develop further.

Your Committee has amended the concurrent resolution to emphasize that the Speaker of the House and the President of the Senate have full latitude to decide when, and if, their respective Chambers will be open to the public, and that the House of Representatives supports daily opening during the interim as demand requires.

Your Committee also made technical, nonsubstantive amendments to the concurrent resolution for purposes of style and clarity.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 77, H.D. 1.

Signed by all members of the Committee.

SCRep. 924-86 Legislative Management on H.R. No. 142

The purpose of this resolution is to request the National Conference of State Legislatures to review Hawaii's legislative staffing system in order to ascertain whether the overall organization of employees and compensation and benefits for such employees are equitable as compared to legislative staffing of other states.

Your Committee amended the resolution by requesting that a report be prepared and transmitted to the Legislature by October 1, 1986.

Your Committee also amended the House resolution by requiring that the Speaker of the House be requested to contract with the National Conference of State Legislatures to assist the House by conducting a review of Hawaii's legislative staffing system.

Your Committee also made technical, nonsubstantive amendments to the resolution for purposes of style and clarity.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 142, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 142, H.D. 1.

Signed by all members of the Committee.

SCRep. 925-86 Legislative Management on H.C.R. No. 103

The purpose of this concurrent resolution is to request the National Conference of State Legislatures to perform a legislative agency (Legislative Reference Bureau, Legislative Auditor, and Ombudsman) evaluation. This evaluation should include:

(1) a review of the present division of responsibilities between the three legislative service agencies;

(2) an assessment of each agency's effectiveness, accountability, and responsiveness to each house of the Legislature and each legislator individually;

(3) recommendations on the possible consolidation of agency responsibilities on other divisional configurations to better improve the quality of legislative services; and

(4) a sampling of alternative organizational structures of similar legislative agencies in other states.

Your Committee received favorable testimony from the Legislative Reference Bureau, the Legislative Auditor, and the Acting Ombudsman.

Your Committee has amended the concurrent resolution asking that the final report be presented to the Legislature by October 1, 1986.

Your Committee has also added a provision that would provide each agency with an opportunity to review a preliminary report for comment, and that provides for the incorporation of their respective comments into the final report.

Your Committee also amended the concurrent resolution by requiring the Speaker of the House and the President of the Senate be requested to contract with the National Conference of State Legislatures to perform the legislative agency evaluation.

Your Committee also made technical, nonsubstantive amendments to the concurrent resolution for purposes of style and clarity.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 103, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 103, H.D. 1.

Signed by all members of the Committee.

SCRep. 926-86 Water, Land Use, Development and Hawaiian Affairs on
H.R. No. 158

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) and the Hawaii Housing Authority (HHA), with the assistance of the University of Hawaii and appropriate City and County of Honolulu agencies, to conduct a feasibility study on exchanging endangered private lands, due to land movements, in the Woodlawn area with University of Hawaii public lands in Manoa Valley.

Your Committee received testimony from DLNR and the University of Hawaii in support of this resolution. Your Committee finds that the University's public lands in Manoa are zoned for residential use and that the proposed land use exchange would serve the interest of public health and safety.

Your Committee has amended the "BE IT RESOLVED" clause. In its present structure, it is confusing. To clarify the last four lines, your Committee has set them, in proper context, in a "BE IT FURTHER RESOLVED" clause to read:

"BE IT FURTHER RESOLVED that the feasibility study is to be conducted to include reasonable criteria for identifying the extent of land movement damage and for included in the said exchange, and to include, further, the costs of acquisitions".

Other technical, non-substantive amendments, including one in the title, have been made for the purpose of grammatical correction, clarity, and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 158, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 158, H.D. 1.

Signed by all members of the Committee.

SCRep. 927-86 Tourism on S.C.R. No. 18

The purpose of this concurrent resolution is to designate the week of May 18 for the year 1986 as Tourism Week in Hawaii.

Your Committee has received testimony from Mr. Kent Keith, Director of Department of Planning Economic Development requesting that the Governor continue to follow the tradition to issue a proclamation urging the people of the State of Hawaii to observe such a week with appropriate ceremonies and activities.

Tourism plays a large and vital role in our local economy to which it contributes to all facets of tourism-related industries. Thus, your Committee amends the Senate Concurrent Resolution to add the hotel, restaurant and other tourism-related workforce forms a vital component of the State's tourism industry; as the 7th paragraph.

Your Committee further amends the concurrent resolution to add human, spiritual on the 2nd line; and the State of Hawaii on the 4th line of the 11th paragraph.

Your Committee interposed the words on the 3rd line of the 12th paragraph to read "is hereby" and add to recognize the residents, and specifically tourism-related employees individual contribution toward the overall welfare of the State tourism industry and importance of our number one industry; after the last line of the 12th paragraph.

Your Committee on Tourism is in accord with the intent and purpose of S.C.R. No. 18, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 18, H.D. 1.

Signed by all members of the Committee.

SCRep. 928-86 Higher Education and the Arts on H.R. No. 23

The purpose of this resolution is to request a study of present and future needs of the University of Hawaii Community Colleges in the role of providing vocational and technical programs which prepare students for employment.

Your Committee received testimony in support of the resolution from the Chancellor of the Community Colleges and the Executive Director of the High Technology Development Corporation.

Your Committee has amended this resolution to request the University of Hawaii Community Colleges to conduct the study rather than the University of Hawaii College of Business Administration.

A paragraph urging the community colleges to seek assistance from the College of Business Administration and other public or private sources of expertise has also been included.

Your Committee has also made technical, non-substantive changes.

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

Signed by all members of the Committee.

SCRep. 929-86 Higher Education and the Arts on H.C.R. No. 17

The purpose of this concurrent resolution is to request a study of present and future needs of the University of Hawaii Community Colleges in the role of providing vocational and technical programs which prepare students for employment.

Your Committee received testimony in support of the concurrent resolution from the Chancellor of the Community Colleges and the Executive Director of the High Technology Development Corporation.

Your Committee has amended this concurrent resolution to request the Univer-

sity of Hawaii Community Colleges to conduct the study rather than the University of Hawaii College of Business Administration.

A paragraph urging the community colleges to seek assistance from the College of Business Administration and other public or private sources of expertise has also been included.

Your Committee has also made technical, non-substantive changes.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.C.R. No. 17, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 17, H.D. 1.

Signed by all members of the Committee.

SCRep. 930-86 Higher Education and the Arts on H.R. No. 210

The purpose of this resolution is to review existing operations of West Oahu College to: (1) assess the current and future needs of Central and Leeward Oahu residents; (2) determine the appropriate size which would satisfy the higher education needs for area residents; and (3) decide on the continuation and expansion of the college.

Your Committee received testimony in support of the resolution from the University of Hawaii.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 210 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 931-86 Higher Education and the Arts on H.C.R. No. 135

The purpose of this concurrent resolution is to review existing operations of West Oahu College to: (1) assess the current and future needs of Central and Leeward Oahu residents; (2) determine the appropriate size which would satisfy the higher education needs for area residents; and (3) decide on the continuation and expansion of the college.

Your Committee received testimony in support of the concurrent resolution from the University of Hawaii.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.C.R. No. 135 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 932-86 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 181

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) and interested community organizations to effectuate the restoration of the Hawaiian Dryland Forest in a two-acre parcel of State land (TMK 3-3-17) in present-day Kaimuki.

Your Committee received much testimony in support of this resolution. In particular, endorsements came from DLNR, the Office of Hawaiian Affairs, the Council of the City and County of Honolulu, and the Kaimuki Neighborhood Board No. 4. According to the Neighborhood Board, the introduction of native dryland species of Hawaiian plants will beautify the region, which is now an area of kiawe and scrub-brush growth.

Your Committee is in agreement that this particular parcel of land, ewa of 16th Avenue and between Koko Head Drive and Claudine Street, is in need of reforestation. However, your Committee is of the opinion that the State land should not

be leased for the purpose of this resolution. Rather, your Committee recommends that DLNR approve and issue a right-of-entry permit to a community organization for the proposed reforestation. Therefore, the "BE IT RESOLVED" clause has been amended to read:

"BE IT RESOLVED...that this body requests the Department of Land and Natural Resources to approve and issue a right-of-entry permit to Hui Kokua No Na Mea Kanu Maoli O Hawaii to effectuate the restoration of the Hawaiian Dryland Forest in this particular and special part (TMK 3-3-17) of present-day Kaimuki".

Your Committee recognizes that Hui Kokua has a proven record of successful restoration of native flora in various locations in Hawaii. Issuance of the right-of-entry permit to Hui Kokua should be based on proper review by DLNR of Hui Kokua's submitted proposal to reforest the particular area in question.

Also, your Committee has deleted the phrase "a fire hazard" from the first line in the sixth "WHEREAS" clause. Your Committee is in agreement that reference to any fire hazard is not primary to the purpose of the resolution.

Other technical, non-substantive amendments have been made for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 181, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 181, H.D. 1.

Signed by all members of the Committee.

SCRep. 933-86 Finance on H.R. No. 74

The purpose of this resolution is to request the Department of Health, as the lead agency, to conduct a study to identify and examine strengths and deficiencies and to recommend corrective measures to the existing long-term care system in the following areas:

- (1) A statewide definition and philosophy towards long-term care;
- (2) The organization and delivery of institutional and community-based services in long-term care;
- (3) Resource allocation mechanisms that affect the long-term care system; and
- (4) A framework and planning process for a comprehensive plan in long-term care.

Groups representing the developmentally disabled, the mentally retarded, and the severely disabled additionally suggested that the concept of long-term care be taken in its broadest terms so that the study can be of assistance and guidance to these populations as well. Your Committee believes that this approach would be appropriate and useful to the Legislature.

The findings of this study will contribute to the ongoing planning efforts of the agencies involved and complement future efforts to develop an interagency, comprehensive plan for the provision of long-term care services in Hawaii.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 74, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 934-86 Finance on H.C.R. No. 63

The purpose of this concurrent resolution is to establish a sister state-province relationship between the State of Hawaii and the Province of Cheju in the Republic of Korea.

Your Committee is in agreement that the potential economic ties between Hawaii and Cheju are numerous. An example is Cheju's effort in opening up its island

to international tourism. The provincial government has already begun seeking various forms of assistance and expertise in tourism and other related economic development fields from the State of Hawaii, including land use planning and development management.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 63, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 935-86 Finance on H.C.R. No. 46

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct an audit of programs within the environmental protection and health services division of the Department of Health. The purpose of the audit is to determine:

- (1) Whether the current programs are being implemented in accordance with state environmental policies and goals;
- (2) Whether current programs are effective in addressing environmental contamination problems;
- (3) Whether current programs are being managed efficiently;
- (4) Whether the structural organization of the division promotes or hinders effective program implementation and management; and
- (5) What additional resources are needed and where they can be most effectively used.

The Legislative Reference Bureau's study on the feasibility of establishing a State-level environmental protection agency reported a lack of commitment to pollution control, division-wide leadership, and communications. Any improvement in the State's capability to protect the public health and the environment begins with positive changes within the division.

Your Committee concurs with the House Committee on Planning, Energy and Environmental Protection that a comprehensive assessment of the division's programs is essential to the formulation of statutory changes.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 46 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 936-86 Agriculture on H.R. No. 213

The purpose of this resolution is to congratulate and commend the Hawaii Farm Bureau Federation for its achievements and efforts in protecting and promoting the agriculture industry in the State of Hawaii and further requesting the Governor to proclaim the week of June 27 to July 6, 1986 as "Hawaii Agriculture Week" in recognition of the contributions which the agriculture industry and its farmers, proprietors, and employees have made to the State of Hawaii.

Your Committee finds that the agriculture industry makes a substantial contribution to the economy of Hawaii, the value of crops and livestock sold amounted to \$554 million, which is a significant portion of Hawaii's economy even without factoring the multiplier effect for dependent manufacturing and service industries.

Your Committee also finds that through the untiring and dedicated efforts of Hawaii's farmers and agriculture proprietors and employees, particularly in the diversified agriculture sector, have increased the vitality and viability of the agriculture industry.

Your Committee further finds that the Hawaii Farm Bureau Federation has worked unselfishly to protect and promote the agriculture industry by its high quality advice, information, and services.

It is requested that the Governor proclaim the week of June 27 to July 6, 1986 as "Hawaii Agriculture Week" to further promote and honor Hawaii's agriculture industry.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 213 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 937-86 Agriculture on H.C.R. No. 138

The purpose of this concurrent resolution is to congratulate and commend the Hawaii Farm Bureau Federation for its achievements and efforts in protecting and promoting the agriculture industry in the State of Hawaii and further requesting the Governor to proclaim the week of June 27 to July 6, 1986 as "Hawaii Agriculture Week" in recognition of the contributions which the agriculture industry and its farmers, proprietors, and employees have made to the State of Hawaii.

Your Committee finds that the agriculture industry makes a substantial contribution to the economy of Hawaii, the value of crops and livestock sold amounted to \$554 million, which is a significant portion of Hawaii's economy even without factoring the multiplier effect for dependent manufacturing and service industries.

Your Committee also finds that through the untiring and dedicated efforts of Hawaii's farmers and agriculture proprietors and employees, particularly in the diversified agriculture sector, have increased the vitality and viability of the agriculture industry.

Your Committee further finds that the Hawaii Farm Bureau Federation has worked unselfishly to protect and promote the agriculture industry by its high quality advice, information, and services.

It is requested that the Governor proclaim the week of June 27 to July 6, 1986 as "Hawaii Agriculture Week" to further promote and honor Hawaii's agriculture industry.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 138 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 938-86 Agriculture on H.R. No. 231

The purpose of this resolution is to request the Hawaii congressional delegation to urge the United States Department of Agriculture, Animal and Plant Health Inspection Service to expedite the amendment to the "Hawaiian Fruit and Vegetables" regulations to allow Sharwil avocados to be moved from Hawaii interstate.

Your Committee finds that the current USDA regulations on "Hawaiian Fruit and Vegetables" disallows the movement of avocados from Hawaii interstate, because of the allegation that the avocado can be a host to the Mediterranean, oriental, or melon fruit flies, constraining the development of the State's avocado industry.

Research conducted by Dr. Jack Armstrong, USDA, Agricultural Research Service, Tropical Fruit and Vegetable Research Laboratory concluded that the Sharwil avocados harvested, handled and packaged according to standard rules would not be infested by fruit flies.

Further Dr. Wallace C. Mitchell, Professor Emeritus, Department of Entomology, College of Tropical Agriculture and Human Resources, University of Hawaii, recognized nationally as an authority on fruit flies, has endorsed the findings of Dr. Jack Armstrong. Dr. Philip Ito, Horticulturalist, College of Tropical Agriculture and Human Resources, University of Hawaii, an expert on tropical tree crops provided the authority for the statement that the Sharwil variety can be distinguished from other varieties of avocados.

The proposed amendment to the regulations is based upon thorough scientific investigations which have shown that Sharwil avocado fruit, harvested by the standard method of leaving some stem tissue attached, and handled and packaged

according to stated and appropriate rules, can be shipped without any risk of fruit fly infestation.

Your Committee also finds that the export of the Sharwil avocado from Hawaii should not have any impact upon sales of California grown avocado since the Sharwil and the California avocados will serve different markets.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 231 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 939-86 Agriculture on H.C.R. No. 157

The purpose of this concurrent resolution is to request the Hawaii congressional delegation to urge the United States Department of Agriculture, Animal and Plant Health Inspection Service to expedite the amendment to the "Hawaiian Fruit and Vegetables" regulations to allow Sharwil avocados to be moved from Hawaii interstate.

Your Committee finds that the current USDA regulations on "Hawaiian Fruit and Vegetables" disallows the movement of avocados from Hawaii interstate, because of the allegation that the avocado can be a host to the Mediterranean, oriental, or melon fruit flies, constraining the development of the State's avocado industry.

Research conducted by Dr. Jack Armstrong, USDA, Agricultural Research Service, Tropical Fruit and Vegetable Research Laboratory concluded that the Sharwil avocados harvested, handled and packaged according to standard rules would not be infested by fruit flies.

Further Dr. Wallace C. Mitchell, Professor Emeritus, Department of Entomology, College of Tropical Agriculture and Human Resources, University of Hawaii, recognized nationally as an authority on fruit flies, has endorsed the findings of Dr. Jack Armstrong. Dr. Philip Ito, Horticulturalist, College of Tropical Agriculture and Human Resources, University of Hawaii, an expert on tropical tree crops provided the authority for the statement that the Sharwil variety can be distinguished from other varieties of avocados.

The proposed amendment to the regulations is based upon thorough scientific investigations which have shown that Sharwil avocado fruit, harvested by the standard method of leaving some stem tissue attached, and handled and packaged according to stated and appropriate rules, can be shipped without any risk of fruit fly infestation.

Your Committee also finds that the export of the Sharwil avocado from Hawaii should not have any impact upon sales of California grown avocado since the Sharwil and the California avocados will serve different markets.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 157 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 940-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 22

The purpose of this concurrent resolution is to dispose of certain government submerged lands and lands beneath tidal waters situated near the old Halepalaoa Landing at Kaohai, Lanai, for channel clearing, buoy placement, pier construction, and commercial docking of tour boat cruises operating from Maui.

Under present law, Section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease, or grant easement over, submerged lands and lands beneath tidal waters. However, this disposition is made only with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution.

According to testimony by the Board of Land and Natural Resources, the Governor has already granted prior approval of the proposed disposition of the ease-

ment, for purposes proposed in the concurrent resolution. The easement is to be used for a boat pier and six mooring buoys.

Your Committee is in agreement that the proposed disposition would encourage economic development in the area of tourism and enable the State to receive income from currently non-income-producing lands. Your Committee has also amended the "BE IT RESOLVED" clause by inserting the phrase "in accordance with its conservation district use permit", as follows:

"...that the disposition of the easement described herein be in accordance with its conservation district use permit and is hereby authorized...."

The proposed amendment is recommended for the purpose of clarification of Board procedures in reviewing conservation district use permit requests. Other technical, non-substantive amendments have been made to correct for style and clarity.

Your Committee is cognizant of statutory procedures through which the Board may grant final disposition of government submerged lands and lands beneath tidal waters. Authority is given to the Board, only after prior approval of the Governor and prior authorization of the Legislature by concurrent resolution. Neither the Board nor the applicant for land lease should presume that, without final passage of the concurrent resolution, development of the proposed easement may proceed.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of the H.C.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committee except Representative Hagino.

SCRep. 941-86

Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 79

The purpose of this concurrent resolution is to provide for legislative authorization to the Department of Land and Natural Resources (DLNR) to dispose, by way of an easement, of certain government submerged lands and lands beneath tidal waters, offshore and seaward of TMK 4-6-22:31, of Kaneohe Bay for perpetual non-exclusive easement for seawall and boat ramp purposes.

Your Committee received testimony from DLNR in support of this concurrent resolution. Your Committee finds that the proposed disposition involves the sale of an easement to an applicant whose property has had a documented history of shoreline erosion, and that the seawall prevents further soil erosion and loss of property, trees, and shrubs. Moreover, the boat ramp provides for boat access to Kaneohe Bay.

Technical, non-substantive amendments have been made, including those in the title, for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 79, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 79, H.D. 1.

Signed by all members of the Committee.

SCRep. 942-86

Planning, Energy and Environmental Protection on H.R. No.
116

The purpose of this resolution is to allow the application of special purpose revenue proceeds authorized under Act 145, Session Laws of Hawaii, 1984, toward the development of a wind farm project that has a maximum capacity greater than five megawatts.

Your Committee finds that Act 145, SLH, 1984, authorized the Department of Budget and Finance to issue not more than \$12 million in special purpose revenue bonds toward the development of a five megawatt energy farm. However, Kamaoa Wind Energy Partners currently proposes to establish a ten megawatt maximum capacity wind farm. Your Committee finds that the construction of a higher

capacity wind farm would insure the delivery of a constant five megawatts of power or greater.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 116 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 943-86 Planning, Energy and Environmental Protection on H.C.R.
No. 70

The purpose of this concurrent resolution is to allow the application of special purpose revenue proceeds authorized under Act 145, Session Laws of Hawaii, 1984, toward the development of a wind farm project that has a maximum capacity greater than five megawatts.

Your Committee finds that Act 145, SLH, 1984, authorized the Department of Budget and Finance to issue not more than \$12 million in special purpose revenue bonds toward the development of a five megawatt energy farm. However, Kamaoa Wind Energy Partners currently proposes to establish a ten megawatt maximum capacity wind farm. Your Committee finds that the construction of a higher capacity wind farm would insure the delivery of a constant five megawatts of power or greater.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 70 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 944-86 Finance on H.C.R. No. 13

The purpose of this concurrent resolution is to request the Department of Planning and Economic Development (DPED) to develop and recommend to the Legislature a five-year foreign trade action plan to expand and enhance further the activities of the international service branch.

The international service branch intends to sponsor a conference on "Internationalism as a Developing Industry for Hawaii" during the summer of 1986. The conference will explore alternative international futures for Hawaii and receive public input and guidance for developing and prioritizing objectives and proposed activities for a five-year foreign trade action plan.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 13 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 945-86 Ocean and Marine Resources on H.C.R. No. 104

The purpose of this House Concurrent Resolution is to request that the Department of Land and Natural Resources take action in obtaining shared use of Tern Island for the establishment of a fishery support base.

However, based on testimony received, your Committee finds that the central issue here is the Federal government's resistance to returning Tern Island to the State of Hawaii.

Since 1909 the Federal government through Executive Order No. 1019 took possession of the area now known as the French Frigate Shoals wherein Tern Island is located and created a Hawaiian Islands Reservation, now known as the Hawaiian Islands National Wildlife Refuge. Over these many years the Federal government has used Tern Island as a military outpost, while continuing to enforce wildlife protection regulations.

Your Committee finds that for the past several years Hawaii has been engaged in several negotiations with the Federal government over the return of Tern Island and other areas within the refuge boundaries. These negotiations included issues on the boundaries of the refuge, submerged lands and natural resource

utilization. The State of Hawaii has maintained its strong position of ownership jurisdiction over the Northwestern Hawaiian islands and has argued that Tern Island has been on loan to the Federal government these many years.

Our desire to utilize much needed natural resources in the area while at the same time being cognizant of the need to monitor man's presence in this wilderness refuge is hampered by the Federal government's excessive regulations and their position that the State does not have any claims over Tern Island.

Your Committee is concerned that the State of Hawaii continues to assert its position on ownership over Tern Island and the Northwestern Hawaiian Islands. Therefore, substantial changes have been made to this measure and title to more accurately reflect this need.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.C.R. 104, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. 104, H.D. 1.

Signed by all members of the Committee.

SCRep. 946-86 Judiciary on H.R. No. 152

The purpose of this resolution is to request the Chief Justice to study the feasibility of allowing the limited licensing of legal consultants from Japan and establishing a reciprocity program for Hawaii attorneys to practice as legal consultants in Japan.

Your Committee received testimony in favor of this resolution from the Judiciary and Mr. Richard Kanter of the Japan-Hawaii Lawyers Association.

Your Committee finds that legal expertise in the field of international law can be fostered through education, professional and student exchanges, and by encouraging and enabling Hawaii lawyers and law firms to open offices in major centers in Asian countries.

Your Committee further finds that prior to 1955 American law firms were permitted to open offices in Japan. Since then the Japanese Legislature has made it illegal.

Your Committee believes that, if implemented, this resolution will directly lead to the establishment of Hawaii law offices by Hawaii attorneys in major Asian centers and the presence in Hawaii of foreign legal consultants from Japan. This will increase international trade and will thereby encourage the use of Hawaii lawyers in Japan and in the major Asian centers to serve Japanese businesses engaging in international trade.

Your Committee has amended the resolution to provide that the study be completed prior to the 1987 legislative session.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 152, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 152, H.D. 1.

Signed by all members of the Committee.

SCRep. 947-86 Judiciary on H.C.R. No. 94

The purpose of this concurrent resolution is to request the Chief Justice to study the feasibility of allowing the limited licensing of legal consultants from Japan and establishing a reciprocity program for Hawaii attorneys to practice as legal consultants in Japan.

Your Committee received testimony in favor of this concurrent resolution from the Judiciary and Mr. Richard Kanter of the Japan-Hawaii Lawyers Association.

Your Committee finds that legal expertise in the field of international law can be fostered through education, professional and student exchanges, and by encouraging and enabling Hawaii lawyers and law firms to open offices in major centers in Asian countries.

Your Committee further finds that prior to 1955 American law firms were permitted to open offices in Japan. Since then the Japanese Legislature has made it illegal.

Your Committee believes that, if implemented, this concurrent resolution will directly lead to the establishment of Hawaii law offices by Hawaii attorneys in major Asian centers and the presence in Hawaii of foreign legal consultants from Japan. This will increase international trade and will thereby encourage the use of Hawaii lawyers in Japan and in the major Asian centers to serve Japanese businesses engaging in international trade.

Your Committee has amended the concurrent resolution to provide that the study be completed prior to the 1987 legislative session.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 94, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 94, H.D. 1.

Signed by all members of the Committee.

SCRep. 948-86 Employment Opportunities and Labor Relations and Consumer
Protection and Commerce on H.R. No. 140

The purpose of this resolution is to request the Insurance Commissioner to report on the reasons for the nonimplementation of the requirements that all workers' compensation insurance policies include optional deductibles for medical benefits and that all policies be in a standard form.

Act 296, Session Laws of Hawaii 1985, required workers' compensation insurance policies to include optional deductibles for medical benefits. The provisions, however, have not been implemented as yet. At a public hearing on March 21, 1986, the Insurance Commissioner testified that nonimplementation results from problems with the medical deductible filing and wording for the Workers' Compensation Statistical Plan Manual proposed by the Hawaii Insurance Rating Bureau. But, the Insurance Commissioner also stated that the problems have been rectified and that approval of the medical deductible program is forthcoming.

The Insurance Commissioner, however, indicated that the medical deductible option will not be implemented upon approval because of a pending appeal of the rate filing of the Hawaii Insurance Rating Bureau. The medical deductible filing is interconnected with the appealed rate filing, and both must take effect simultaneously. Thus, the medical deductible filing cannot take effect until the appeal is decided and the rate filing approved.

Since the reasons for nonimplementation of the medical deductible provisions have been explained by the Insurance Commissioner at the public hearing, the major thrust of this resolution has been nullified. According to the Insurance Commissioner, the obstacle to implementation is the pending appeal of the rate filing. Thus, your Committees have substantially amended this resolution to adjust to the current situation. The amended resolution requests all parties in the pending appeal concerning the workers' compensation insurance rate filing to settle their differences as soon as possible so that the medical deductible provisions of Act 296, Session Laws of Hawaii 1985, can be implemented.

Your Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce concur with the intent and purpose of H.R. No. 140, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 140, H.D. 1.

Signed by all members of the Committees except Representative Nakasato.

SCRep. 949-86 Employment Opportunities and Labor Relations and Consumer
Protection and Commerce on H.C.R. No. 80

The purpose of this concurrent resolution is to request the Insurance Commissioner to report on the reasons for the nonimplementation of the requirements that all workers' compensation insurance policies include optional deductibles for

medical benefits and that all policies be in a standard form.

Act 296, Session Laws of Hawaii 1985, required workers' compensation insurance policies to include optional deductibles for medical benefits. The provisions, however, have not been implemented as yet. At a public hearing on March 21, 1986, the Insurance Commissioner testified that nonimplementation results from problems with the medical deductible filing and wording for the Workers' Compensation Statistical Plan Manual proposed by the Hawaii Insurance Rating Bureau. But, the Insurance Commissioner also stated that the problems have been rectified and that approval of the medical deductible program is forthcoming.

The Insurance Commissioner, however, indicated that the medical deductible option will not be implemented upon approval because of a pending appeal of the rate filing of the Hawaii Insurance Rating Bureau. The medical deductible filing is interconnected with the appealed rate filing, and both must take effect simultaneously. Thus, the medical deductible filing cannot take effect until the appeal is decided and the rate filing approved.

Since the reasons for nonimplementation of the medical deductible provisions have been explained by the Insurance Commissioner at the public hearing, the major thrust of this concurrent resolution has been nullified. According to the Insurance Commissioner, the obstacle to implementation is the pending appeal of the rate filing. Thus, your Committees have substantially amended this concurrent resolution to adjust to the current situation. The amended concurrent resolution requests all parties in the pending appeal concerning the workers' compensation insurance rate filing to settle their differences as soon as possible so that the medical deductible provisions of Act 296, Session Laws of Hawaii 1985, can be implemented.

Your Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce concur with the intent and purpose of H.C.R. No. 80, as amended herein, and recommend its adoption in the form attached hereto as

H.R.	No.	80,	H.D.	1.
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Signed by all members of the Committees except Representative Nakasato.

SCRep. 950-86 Higher Education and the Arts on H.R. No. 22

The purpose of this resolution is to support and encourage continuation of the University of Hawaii's efforts at providing educational programs and activities for clientele other than regular on-campus day students.

Your Committee finds that outreach and extended degree programs have performed a valuable service by increasing educational opportunities to those individuals otherwise unable to further their education.

Your Committee received supportive testimony from the Chancellor of the Community Colleges.

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

Signed by all members of the Committee.

SCRep. 951-86 Higher Education and the Arts on H.C.R. No. 19

The purpose of this concurrent resolution is to support and encourage continuation of the University of Hawaii's efforts at providing educational programs and activities for clientele other than regular on-campus day students.

Your Committee finds that outreach and extended degree programs have performed a valuable service by increasing educational opportunities to those individuals otherwise unable to further their education.

Your Committee received supportive testimony from the Chancellor of the Community Colleges.

Your Committee on Higher Education and the Arts concurs with the intent and

purpose of H.C.R. No. 19 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 952-86 Finance on H.R. No. 94

The purpose of this resolution is to request that further research and study on congenital toxoplasmosis be conducted by the Department of Health.

The requested study is intended to identify the population at risk of transmitting the disease to their children and methods of early detection and therapeutic intervention to prevent the disorders which may result from the disease.

Your Committee has amended the title of this resolution to reflect the amendments made by the House Committee on Health to read as follows: "HOUSE RESOLUTION ENCOURAGING FURTHER RESEARCH AND STUDY ON CONGENITAL TOXOPLASMOSIS."

Your Committee has also made technical, nonsubstantive amendments to the resolution for purposes of style and clarity.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 94, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 94, H.D. 2.

Signed by all members of the Committee.

SCRep. 953-86 Finance on H.C.R. No. 57

The purpose of this concurrent resolution is to request that further research and study on congenital toxoplasmosis be conducted by the Department of Health.

The requested study is intended to identify the population at risk of transmitting the disease to their children and methods of early detection and therapeutic intervention to prevent the disorders which may result from the disease.

Your Committee has amended the title of this concurrent resolution to reflect the amendments made by the House Committee on Health to read as follows: "HOUSE CONCURRENT RESOLUTION ENCOURAGING FURTHER RESEARCH AND STUDY ON CONGENITAL TOXOPLASMOSIS."

Your Committee has also made technical, nonsubstantive amendments to the concurrent resolution for purposes of style and clarity.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 57, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 57, H.D. 2.

Signed by all members of the Committee.

SCRep. 954-86 Finance on H.R. No. 177

The purpose of this resolution is to request a study of long-term care insurance and the feasibility of allowing a tax credit for long-term care insurance premiums.

The elderly population in Hawaii is aging at a rate higher than the national average and projections are that by the year 2000, 160,000 residents will be 65 years of age or older. The impact of this increased population on the state Medicaid budget is potentially enormous.

Long-term care insurance is an idea whose time has come. Long-term care providers, insurers, and government can all benefit from this development. The elderly have been particularly supportive of long-term care insurance because it obviates the need to deplete their life savings ("spend down") and provides them with a better opportunity for financial planning. Spouses can be protected from a dramatically changed lifestyle and greater access to care can be provided for the elderly.

Your Committee believes, however, that it is important that a study be conducted on the feasibility of using tax credits as a means of encouraging the purchase of long-term care insurance policies. Furthermore, not all insurance policies may lead to the desired benefits and it is important to the consumers that the desirable elements of long-term care insurance policies be studied.

Your Committee agrees with the House Committee on Human Services which stressed the importance of including community-based, long-term care services in the assessment of the desirable elements in long-term care insurance policies. In addition to the services covered, the amount of the daily benefits and the feasibility of including a mechanism to ensure that the daily benefits keep up with any increased costs for long-term care also need to be explored. The waiting period, years of coverage, prior hospitalization requirement, renewability of coverage, and cancellation and exclusion provisions must also be reviewed. Your Committee also shares the concern of the House Committee on Human Services that policies may not be offered to the more senior members of the elderly population and that, therefore, those who need the policy most may be prevented from purchasing long-term care insurance policies.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 177, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 955-86

Finance on H.C.R. No. 110

The purpose of this concurrent resolution is to request a study of long-term care insurance and the feasibility of allowing a tax credit for long-term care insurance premiums.

The elderly population in Hawaii is aging at a rate higher than the national average and projections are that by the year 2000, 160,000 residents will be 65 years of age or older. The impact of this increased population on the state Medicaid budget is potentially enormous.

Long-term care insurance is an idea whose time has come. Long-term care providers, insurers, and government can all benefit from this development. The elderly have been particularly supportive of long-term care insurance because it obviates the need to deplete their life savings ("spend down") and provides them with a better opportunity for financial planning. Spouses can be protected from a dramatically changed lifestyle and greater access to care can be provided for the elderly.

Your Committee believes, however, that it is important that a study be conducted on the feasibility of using tax credits as a means of encouraging the purchase of long-term care insurance policies. Furthermore, not all insurance policies may lead to the desired benefits and it is important to the consumers that the desirable elements of long-term care insurance policies be studied.

Your Committee agrees with the House Committee on Human Services which stressed the importance of including community-based, long-term care services in the assessment of the desirable elements in long-term care insurance policies. In addition to the services covered, the amount of the daily benefits and the feasibility of including a mechanism to ensure that the daily benefits keep up with any increased costs for long-term care also need to be explored. The waiting period, years of coverage, prior hospitalization requirement, renewability of coverage, and cancellation and exclusion provisions must also be reviewed. Your Committee also shares the concern of the House Committee on Human Services that policies may not be offered to the more senior members of the elderly population and that, therefore, those who need the policy most may be prevented from purchasing long-term care insurance policies.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 110, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 956-86 Finance on H.R. No. 130

The purpose of this resolution is to request the Legislative Auditor to review, assess, and make recommendations on land disposition policies and practices of the State, as administered by the Board of Land and Natural Resources (BLNR). The resolution also requests BLNR to postpone, until the Legislative Auditor's report is submitted to and evaluated by the Legislature, its scheduled actions to terminate revocable permits and the sale of lands presently under lease.

Your Committee has reviewed this resolution and its testimony in light of discussions at an earlier public hearing on S.B. No. 2394-86, S.D. 1. It is the intention of your Committee that this resolution address problems in management of state lands being experienced by revocable permittees and general leaseholders in Waimanalo Valley and by other tenants of state lands.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 130, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 957-86 Finance on H.C.R. No. 75

The purpose of this concurrent resolution is to request the Legislative Auditor to review, assess, and make recommendations on land disposition policies and practices of the State, as administered by the Board of Land and Natural Resources (BLNR). The resolution also requests BLNR to postpone, until the Legislative Auditor's report is submitted to and evaluated by the Legislature, its scheduled actions to terminate revocable permits and the sale of lands presently under lease.

Your Committee has reviewed this concurrent resolution and its testimony in light of discussions at an earlier public hearing on S.B. No. 2394-86, S.D. 1. It is the intention of your Committee that this concurrent resolution address problems in management of state lands being experienced by revocable permittees and general leaseholders in Waimanalo Valley and by other tenants of state lands.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 75, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 958-86 Finance on H.R. No. 118

The purpose of this resolution is to request that the University of Hawaii conduct a feasibility study of alternate systems for delivering higher education services to residents of West Hawaii, with special attention to demographics, the possibility of establishing a permanent facility, utilization of the Hawaii Interactive Television System, and a timetable for planning, design, construction, and staffing.

Your Committee finds that there is a need for expanded education services in the rapidly growing area of West Hawaii and that such a study is appropriate.

Your Committee has amended this resolution by making technical, nonsubstantive amendments for purposes of style.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 118, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 118, H.D. 2.

Signed by all members of the Committee.

SCRep. 959-86 Finance on H.C.R. No. 72

The purpose of this concurrent resolution is to request that the University of Hawaii conduct a feasibility study of alternate systems for delivering higher education services to residents of West Hawaii, with special attention to demographics, the possibility of establishing a permanent facility, utilization of the

Hawaii Interactive Television System, and a timetable for planning, design, construction, and staffing.

Your Committee finds that there is a need for expanded education services in the rapidly growing area of West Hawaii and that such a study is appropriate.

Your Committee has amended this concurrent resolution by making technical, nonsubstantive amendments for purposes of style.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 72, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 72, H.D. 2.

Signed by all members of the Committee.

SCRep. 960-86 Finance on H.R. No. 60

The purpose of this resolution, basically, is to request the Department of Health to conduct a study to determine the number of mentally retarded and developmentally disabled persons in the community who will require ongoing services during the next five fiscal year periods.

More specifically, the Department is requested to determine the number of persons who will need ongoing services; to define those persons who require ongoing services; to determine how many persons are "aging out" of the Department of education's program, and to determine the cost of providing the community-based services.

The State, through its Department of Health, has generally adopted the principle of deinstitutionalization and has taken steps to implement its policy of providing community-based programs to the mentally retarded and developmentally disabled. However, your Committee finds that a greater commitment to deinstitutionalization is needed and that a greater concern should be shown for the welfare of those who are not now within the program or who are "aging out" of the program.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 60, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 961-86 Finance on H.C.R. No. 33

The purpose of this concurrent resolution, basically, is to request the Department of Health to conduct a study to determine the number of mentally retarded and developmentally disabled persons in the community who will require ongoing services during the next five fiscal year periods.

More specifically, the Department is requested to determine the number of persons who will need ongoing services; to define those persons who require ongoing services; to determine how many persons are "aging out" of the Department of education's program, and to determine the cost of providing the community-based services.

The State, through its Department of Health, has generally adopted the principle of deinstitutionalization and has taken steps to implement its policy of providing community-based programs to the mentally retarded and developmentally disabled. However, your Committee finds that a greater commitment to deinstitutionalization is needed and that a greater concern should be shown for the welfare of those who are not now within the program or who are "aging out" of the program.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 33, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 962-86 Finance on H.R. No. 120

Your Committee finds that the offering of college credit courses during non-traditional hours would be a valuable public service to the many persons who desire advanced degrees but are unable to attend regular classes. The study should be conducted to determine demand for courses at non-traditional hours and the best alternative in implementing such a program.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 120, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 963-86 Finance on H.R. No. 102

The purpose of this resolution is to request the University of Hawaii to prepare a reorganization plan which would facilitate a move for the School of Travel Industry Management from its affiliation with the College of Business to independent status, in order to encourage greater internal University resource allocation to the school.

Your Committee finds that advantages of separate school status, using top hotel schools on the mainland as models, include a better ability to respond to the needs of the tourism industry. While the problems need to be studied, the process of separation should be considered as a long-term proposition requiring careful planning and occurring gradually as resources are made available. Your Committee finds that a study is not only appropriate but a step toward attaining the objective of separation.

Your Committee concurs with the amendments made to this resolution by the House Committee on Higher Education and the Arts as explained in House Stand. Com. Rep. No. 886-86.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 102, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 964-86 Finance on H.C.R. No. 66

The purpose of this concurrent resolution is to provide legislative authorization to the Board of Land and Natural Resources (BLNR) to lease state submerged lands, together with an easement, at Sand Island for use as a cable ship berth and depot for maintenance and repair of submarine telecommunications cables.

Section 171-53, Hawaii Revised Statutes, covering the disposition of submerged or reclaimed public lands, provides that BLNR may lease or grant easement over submerged lands and lands beneath tidal waters, only with the prior approval of the Governor and with the prior authorization of the Legislature by concurrent resolution. According to testimony by BLNR, the Governor has granted his prior approval of this proposed disposition. BLNR stated that the applicant, Hawaii-Pacific Marine, Inc., would develop the facility and provide services to AT&T Communications for the basing of AT&T's cable inventory and ship.

It is the intent of your Committee that the proceeds of the lease described in this resolution, if applicable, shall be subject to the provisions of sections 10-3 and 10-13.5, Hawaii Revised Statutes. Your Committee has amended this resolution to include an additional BE IT RESOLVED clause to reflect this intent.

Your Committee has also made technical, nonsubstantive amendments to this concurrent resolution for purposes of style and clarity.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 66, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 66, H.D. 2.

Signed by all members of the Committee.

SCRep. 965-86 Finance on H.C.R. No. 4

The purpose of this concurrent resolution is to request the Legislative Auditor to study the financing system of the Hawaii unemployment insurance compensation fund, ascertaining the minimum level of adequacy to keep the program solvent and at the same time keep as much capital in Hawaii as possible. Further, the Legislative Auditor is requested to include, as part of the study, a review of a financing system that would allow automatic increases or decreases in employer contributions based on the level of fund balance and its impact upon the fund if such a system was implemented.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 4 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 966-86 Finance on H.C.R. No. 82

The purpose of this concurrent resolution is to request the Director of Health (DOH) to convene a committee to study the continuing need for an employee assistance program, the resources required to meet the need, the potential sources of required resources, and to make recommendations concerning the continuation of this program.

Your Committee finds that there is wide agreement that an employee assistance program (EAP) is a vital personnel function which can assist employees to solve problems that seriously affect job performance, thereby reducing absenteeism, tardiness, sick leave, injury, and organizational friction and leading to improved employee well-being and productivity.

The current program, Project CARE (Counseling and Referral for Employees), which began as a pilot project in the DOH, has officially operated as the State's EAP since November 1981 serving more than 500 employees with one full-time staff member. However, due to the recent fiscal constraints, the employee has been reduced to a part-time status.

Your Committee agrees with the House Committee on Public Employment and Government Operations that this is an opportune time to examine Project CARE. Because its services cut across departmental lines, an inter-agency committee is the appropriate mechanism to review the project and determine its most appropriate location, role, function, and resource requirements within the state government structure.

Upon further consideration, your Committee has amended this bill to include the Judiciary, Hawaii Government Employees' Association, United Public Workers, University of Hawaii Professional Assembly, and Hawaii State Teachers Association in the study committee.

Your Committee has made technical, nonsubstantive amendments to this concurrent resolution for purposes of style and clarity.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 82, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 82, H.D. 2.

Signed by all members of the Committee.

SCRep. 967-86 Finance on H.C.R. No. 91

The purpose of this concurrent resolution is to establish a commission within the Office of the Legislative Auditor to study the reorganization of state government. The commission is charged with determining the parameters of the reorganization study, establishing guidelines and a time frame for the conduct of the study, and submitting a report to the Legislature recommending who shall conduct the study and whether a committee should be appointed to oversee the project.

Your Committee heard testimony in support of this concurrent resolution from the Department of Social Services and Housing (DSSH). The DSSH emphasized that the Corrections Division has expanded to the point where it interferes with

other programs in the Department. This particular problem could be resolved through a reorganization of state government.

There is the need to improve government efficiency, effectiveness, and responsiveness, and a complete review of state government functions may provide the next administration with the information needed to effectuate constructive changes in the organization of state government.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 91 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 968-86 Finance on H.C.R. No. 102

The purpose of this concurrent resolution is to request the Legislative Auditor to evaluate the training available to key professionals and service providers involved in early intervention of child care and neglect.

Early intervention is critical to the success of an effective child abuse and neglect system. The professionals and service providers involved are only as effective as the training they receive.

Your Committee received testimony in support of this concurrent resolution from the Department of Social Services and Housing, the Department of Health, and Catholic Services to Families.

Your Committee is aware of the Department of Social Services and Housing's inability to recruit sufficient numbers of qualified professionals to accept child protective services positions. Recruitment difficulties stem, in part, from the reluctance of recent graduates of the University of Hawaii's School of Social Work to accept job responsibilities for which they lack relevant skills and knowledges. For those graduates who have been hired, on the job learning has been difficult and slow because they often lack basic knowledges (e.g. childhood development) and skills (e.g. assessment of family functioning). Your Committee believes that a re-examination of the undergraduate and graduate training given to students wishing to choose social work as a career is in order. It is the intent of your Committee that the evaluation proposed by this resolution should not only focus upon in-service training, but should also assess the extent to which career preparation opportunities exist in our State's educational system.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 102, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 969-86 Finance on H.C.R. No. 60

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to consider the acquisition of a privately owned parcel of land at Makena, Maui, (Tax Map Key 2-1-06:26), in exchange for a state-owned parcel in Kahului or elsewhere.

The Makena land would become a part of the Makena-La Perouse State Park. Some lands for development of the park have already been acquired by condemnation and exchange, and two private parcels to be acquired remain, one of which is the subject of this concurrent resolution.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 60 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 970-86 Water, Land Use, Development and Hawaiian Affairs and
Higher Education and the Arts on H.R. No. 214

The purpose of this resolution is to request the University of Hawaii and its appropriate departments to further explore the development of space industries,

expand its space-related programs, and develop a master plan for further development of space industries by government and the private sector.

Your Committees have deleted reference to South Point and to special interests as being inappropriate at this time.

This resolution has been further amended by several technical, non-substantive changes.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts concur with the purpose and intent of H.R. No. 214, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 214, H.D. 1.

Signed by all members of the Committees.

SCRep. 971-86 Water, Land Use, Development and Hawaiian Affairs and
Higher Education and the Arts on H.C.R. No. 140

The purpose of this concurrent resolution is to request the University of Hawaii and its appropriate departments to further explore the development of space industries, expand its space-related programs, and develop a master plan for further development of space industries by government and the private sector.

Your Committees have deleted reference to South Point and to special interests as being inappropriate at this time.

This concurrent resolution has been further amended by several technical, non-substantive changes.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts concur with the purpose and intent of H.C.R. No. 140, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 140, H.D. 1.

Signed by all members of the Committees.

SCRep. 972-86 Ocean and Marine Resources on H.R. No. 167

The purpose of this House Resolution is to request that the Department of Land and Natural Resources take action in obtaining shared use of Tern Island for the establishment of a fishery support base.

However, based on testimony received, your Committee finds that the central issue here is the Federal government's resistance to returning Tern Island to the State of Hawaii.

Since 1909 the Federal government through Executive Order No. 1019 took possession of the area now known as the French Frigate Shoals wherein Tern Island is located and created a Hawaiian Islands Reservation, now known as the Hawaiian Islands National Wildlife Refuge. Over these many years the Federal government has used Tern Island as a military outpost, while continuing to enforce wildlife protection regulations.

Your Committee finds that for the past several years Hawaii has been engaged in several negotiations with the Federal government over the return of Tern Island and other areas within the refuge boundaries. These negotiations included issues on the boundaries of the refuge, submerged lands and natural resource utilization. The State of Hawaii has maintained its strong position of ownership jurisdiction over the Northwestern Hawaiian islands and has argued that Tern Island has been on loan to the Federal government these many years.

Our desire to utilize much needed natural resources in the area while at the same time being cognizant of the need to monitor man's presence in this wilderness refuge is hampered by the Federal government's excessive regulations and their position that the State does not have any claims over Tern Island.

Your Committee is concerned that the State of Hawaii continues to assert its position on ownership over Tern Island and the Northwestern Hawaiian Islands.

Therefore, substantial changes have been made to this measure and title to more accurately reflect this need.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.R. 167, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. 167, H.D. 1.

Signed by all members of the Committee.

SCRep. 973-86 Consumer Protection and Commerce and Employment
Opportunities and Labor Relations on H.C.R. No. 86

The purpose of this concurrent resolution is to request the Legislative Auditor to study the advisability of transferring from the Department of Labor and Industrial Relations to the Department of Commerce and Consumer Affairs the coordination of supervision and certification of vocational rehabilitation workers described in section 386-25, Hawaii Revised Statutes, and the advisability of establishing a program under the Department of Commerce and Consumer Affairs to certify and regulate providers of vocational rehabilitation.

Your Committees received favorable testimony from International Rehabilitation Associates, Inc., First Insurance Company of Hawaii, Ltd., Kama'aina Rehabilitation, Inc., and practicing rehabilitation specialists and counselors. Your Committees also received testimony from the Department of Labor and Industrial Relations (Department). The Department testified that it did not object to the proposed study and possible implementation of statewide regulation of vocational rehabilitation providers. Further, the Department did not oppose the transfer of the certification of vocational rehabilitation providers under section 386-25, Hawaii Revised Statutes, from the Labor Department to the Department of Commerce and Consumer Affairs as long as such transfer did not compromise the current standards established by the administrative rules relating to rehabilitation to the extent of adversely affecting the workers' compensation vocational rehabilitation program.

Your Committees, upon further consideration, have amended the concurrent resolution by clarifying the intent and purpose of the concurrent resolution by restating the need for an analysis and evaluation of the proposed transfer between the Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs.

Your Committees on Consumer Protection and Commerce and Employment Opportunities and Labor Relations concur with the intent and purpose of H.C.R. No. 86, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 86, H.D. 1.

Signed by all members of the Committees.

SCRep. 974-86 Consumer Protection and Commerce and Employment
Opportunities and Labor Relations on H.R. No. 144

The purpose of this resolution is to request the Legislative Auditor to study the advisability of transferring from the Department of Labor and Industrial Relations to the Department of Commerce and Consumer Affairs the coordination of supervision and certification of vocational rehabilitation workers described in section 386-25, Hawaii Revised Statutes, and the advisability of establishing a program under the Department of Commerce and Consumer Affairs to certify and regulate providers of vocational rehabilitation.

Your Committees received favorable testimony from International Rehabilitation Associates, Inc., First Insurance Company of Hawaii, Ltd., Kama'aina Rehabilitation, Inc., and practicing rehabilitation specialists and counselors. Your Committees also received testimony from the Department of Labor and Industrial Relations (Department). The Department testified that it did not object to the proposed study and possible implementation of statewide regulation of vocational rehabilitation providers. Further, the Department did not oppose the transfer of the certification of vocational rehabilitation providers under section 386-25, Hawaii Revised Statutes, from the Labor Department to the Department of Commerce and Consumer Affairs as long as such transfer did not compromise the current standards established by the administrative rules relating to rehabilitation to the

extent of adversely affecting the workers' compensation vocational rehabilitation program.

Your Committees, upon further consideration, have amended the resolution by clarifying the intent and purpose of the resolution by restating the need for an analysis and evaluation of the proposed transfer between the Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs.

Your Committees on Consumer Protection and Commerce and Employment Opportunities and Labor Relations concur with the intent and purpose of H.R. No. 144, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 144, H.D. 1.

Signed by all members of the Committees.

SCRep. 975-86 Consumer Protection and Commerce on H.R. No. 125

The purpose of this resolution is to request the Director of Commerce and Consumer Affairs to establish an adhoc committee to review the existing laws and regulations concerning the time share industry in Hawaii and to report its findings and recommendations to the Legislature before the convening of the Regular Session of 1987. This review would focus on the effectiveness and constitutionality of the regulatory scheme now in effect with respect to the time share industry.

This resolution further proposes that the adhoc committee be composed of the Time Share Administrator, the Director of the Office of Consumer Protection, the Attorney General, and members selected from the membership of the Hawaii Chapter of the National Time Sharing Council of the American Resort and Residential Development Association.

Your Committee received testimony from the Department of Commerce and Consumer Affairs (Department).

Your Committee at the request of the Department has amended the resolution by adding the Chief Enforcement Officer of the Department's Regulated Industries Complaints Office, the Chairman of the Real Estate Commission, and a member of the Waikiki Improvement Association to the adhoc committee.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 125, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 125, H.D. 1.

Signed by all members of the Committee.

SCRep. 976-86 Consumer Protection and Commerce on H.R. No. 164

The purpose of this resolution is to request the Real Estate Commission to study the advisability of statutorily requiring licensees to ascertain and disclose pertinent facts. Further, this study would determine the advisability of statutorily defining pertinent facts.

Your Committee received favorable testimony from the Real Estate Commission and the Hawaii Association of Realtors.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 164 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 977-86 Consumer Protection and Commerce on H.C.R. No. 99

The purpose of this concurrent resolution is to request the Real Estate Commission to study the advisability of statutorily requiring licensees to ascertain and disclose pertinent facts. Further, this study would determine the advisability of statutorily defining pertinent facts.

Your Committee received favorable testimony from the Real Estate Commission and the Hawaii Association of Realtors.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 99 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 978-86 Consumer Protection and Commerce on H.R. No. 163

The purpose of this resolution is to request the Real Estate Commission to study the bonding and insurance problems related to those who manage condominiums, including reviewing possible alternatives such as Kentucky Senate Bill No. 72 (1986) which requires the Kentucky Real Estate Commission to provide a group errors and omissions insurance policy for this purpose at reasonable premiums to be charged to the insured and the expanded use of the Real Estate Recovery Fund established under section 467-16, Hawaii Revised Statutes.

Your Committee received favorable testimony from the Real Estate Commission, Chaney, Brooks & Company, the West Maui Taxpayers Association, and the Hawaii Association of Realtors.

Your Committee, upon further consideration and at the request of the Hawaii Association of Realtors, has amended the resolution to include the Hawaii Association of Realtors as participants in the study.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 163, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 163, H.D. 1.

Signed by all members of the Committee.

SCRep. 979-86 Consumer Protection and Commerce on H.C.R. No. 98

The purpose of this concurrent resolution is to request the Real Estate Commission to study the bonding and insurance problems related to those who manage condominiums, including reviewing possible alternatives such as Kentucky Senate Bill No. 72 (1986) which requires the Kentucky Real Estate Commission to provide a group errors and omissions insurance policy for this purpose at reasonable premiums to be charged to the insured and the expanded use of the Real Estate Recovery Fund established under section 467-16, Hawaii Revised Statutes.

Your Committee received favorable testimony from the Real Estate Commission, Chaney, Brooks & Company, the West Maui Taxpayers Association, and the Hawaii Association of Realtors.

Your Committee, upon further consideration and at the request of the Hawaii Association of Realtors, has amended the concurrent resolution to include the Hawaii Association of Realtors as participants in the study.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 98, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 98, H.D. 1.

Signed by all members of the Committee.

SCRep. 980-86 Legislative Management on H.R. No. 152

The purpose of this resolution is to request the Chief Justice to study the feasibility of allowing the limited licensing of legal consultants from Japan and establishing a reciprocity program for Hawaii attorneys to practice as legal consultants in Japan.

Your Committee finds that legal expertise in the field of international law can be fostered through education, professional and student exchanges, and by encourag-

ing and enabling Hawaii lawyers and law firms to open offices in major centers in Asian countries.

Your Committee further finds that prior to 1955 American law firms were permitted to open offices in Japan. Since then the Japanese legislature has made such practice illegal.

Your Committee believes that, if adopted, this resolution will lead directly to the establishment of Hawaii law offices by Hawaii attorneys in major Asian centers and the presence in Hawaii of foreign legal consultants from Japan. This will increase international trade and will thereby encourage the use of Hawaii lawyers in Japan and in the major Asian centers to serve Japanese businesses engaging in international trade.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 152, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 981-86 Legislative Management on H.C.R. No. 94

The purpose of this concurrent resolution is to request the Chief Justice to study the feasibility of allowing the limited licensing of legal consultants from Japan and establishing a reciprocity program for Hawaii attorneys to practice as legal consultants in Japan.

Your Committee finds that legal expertise in the field of international law can be fostered through education, professional and student exchanges, and by encouraging and enabling Hawaii lawyers and law firms to open offices in major centers in Asian countries.

Your Committee further finds that prior to 1955 American law firms were permitted to open offices in Japan. Since then the Japanese legislature has made such practice illegal.

Your Committee believes that, if adopted, this concurrent resolution will lead directly to the establishment of Hawaii law offices by Hawaii attorneys in major Asian centers and the presence in Hawaii of foreign legal consultants from Japan. This will increase international trade and will thereby encourage the use of Hawaii lawyers in Japan and in the major Asian centers to serve Japanese businesses engaging in international trade.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 94, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 982-86 Education on H.R. No. 201

The purpose of this resolution is to encourage the Department of Education to develop a plan for a Teacher Achievement Awards Program.

Your Committee heard testimony from the Hawaii State Teachers Association (HSTA) in favor of this resolution. The HSTA believes that such an award would enhance the teaching profession and boost the morale of the scores of teachers who have demonstrated outstanding achievement in the classrooms or through their involvement in community activities benefiting children and youth.

Your Committee received testimony from the Department of Education. The Department prefers to develop a program which places the spotlight on the most important unit in the public school system - the school. A report by the Department, REACHING FOR EXCELLENCE IN INSTRUCTION - SCHOOL INCENTIVES PROGRAM, was included in the testimony to explain their preference.

Your Committee finds that recognition of exemplary teachers as well as outstanding schools would enhance the teaching profession and create a more positive perception of the public school system. Your Committee agrees that an achievement awards program recognizing both teachers and schools should be encouraged.

Your Committee has amended this resolution that the Superintendent of Education may seek the input of teachers, school administrators, parents, and students to develop a plan for a Teacher Achievement Awards Program in the public schools.

Your Committee on Education concurs with the intent and purpose of H.R. No. 201, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 201, H.D. 1.

Signed by all members of the Committee except Representative Pfeil.

SCRep. 983-86 Education on H.R. No. 212

The purpose of this resolution is to study and consider the feasibility of implementing year-round school in Hawaii's public school system.

Your Committee heard testimony from the Department of Education (DOE) in support of the study. This resolution is in keeping with the DOE's State Education Functional Plan which states, "that the Department ... examine ... the feasibility of operating schools on a twelve month basis." Your Committee concurs with the DOE's testimony that the study will also have to carefully examine the educational, social, and economic benefits of year-round schooling specifically as they relate to improving our educational system here in Hawaii.

Your Committee also heard favorable testimony from the Hawaii State Teachers Association (HSTA). Your Committee concurs with the HSTA testimony that the problems associated with a year-round school relate to the community as a whole making a major social adjustment and a major attitude change.

Your Committee on Education concurs with the intent and purpose of H.R. No. 212 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pfeil.

SCRep. 984-86 Public Employment and Government Operations on H.C.R.
No. 118

The purpose of this concurrent resolution is to provide legislative approval, as required under Chapter 77, Hawaii Revised Statutes, of the compensation plans developed by the Public Employees Compensation Appeals Board (PECAB) and the costs related to its implementation on July 1, 1986.

Representatives from the Department of Social Services and Housing (DSSH) and Department of Personnel Services (DPS) submitted testimony in support of this concurrent resolution. DPS further testified that the white collar and blue collar compensation plans, developed on a biennial basis, represent the findings and recommendations of the Conference of Personnel Directors and PECAB.

Although the Hawaii Government Employees Association (HGEA) testified that they did not agree with all the findings and recommendations, HGEA also urged for favorable legislative action on the reports, citing the ample opportunity they had to express their position and rationale before PECAB.

Your Committee finds that a total of 71 individual and group appeals were heard by PECAB on 52 white collar and blue collar classes. Only four appeals affecting seven classes within the State's jurisdiction were actually approved.

The pricing actions by PECAB involve several large class series within the DSSH. It will cost the State \$1.58 million to implement the compensation plans, \$1.375 million of which is needed to fund DSSH employee pay adjustments. A supplemental budget request to assist the DSSH in funding the higher salary amounts stipulated in the PECAB report was earlier submitted to the Legislature.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 118 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Blair.

SCRep. 985-86 Consumer Protection and Commerce on H.C.R. No. 109

The purpose of this concurrent resolution is to request the Congress of the United States of America to immediately address and work towards resolving the reinsurance crisis facing the nation and, if necessary, regulate the industry.

Your Committee received favorable testimony from the Hawaii Academy of Plaintiff's Attorneys (HAPA) and the Hawaii Insurers Council.

Your Committee has amended the concurrent resolution to provide that a certified copy be transmitted to the Speaker of the United States House of Representatives to correct an inadvertent omission.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 109, H.D. 1.

Signed by all members of the Committee.

SCRep. 986-86 Employment Opportunities and Labor Relations on H.R. No. 208

The purpose of this resolution is to request the Department of Taxation to monitor procedures for the purpose of ensuring that mainland contractors performing construction work on military installations pay the State excise tax as required by Chapter 237, Hawaii Revised Statutes and submit a report to the Legislature prior to the Regular Session of 1987 on the monitoring procedure.

Hawaii law and case law allow the taxation by the State of the gross proceeds of contractors, including mainland contractors. Allegations have been made that many mainland contractors do not pay the State general excise tax for which they are liable. Nonpayment of general excise tax, if true, results in loss of tax revenues for the State and further provides an unfair advantage over local contractors since excise tax is not factored in the mainland contractors bids.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.R. No. 208 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 987-86 Employment Opportunities and Labor Relations on H.C.R. No. 133

The purpose of this concurrent resolution is to request the Department of Taxation to monitor procedures for the purpose of ensuring that mainland contractors performing construction work on military installations pay the State excise tax as required by Chapter 237, Hawaii Revised Statutes and submit a report to the Legislature prior to the Regular Session of 1987 on the monitoring procedure.

Hawaii law and case law allow the taxation by the State of the gross proceeds of contractors, including mainland contractors. Allegations have been made that many mainland contractors do not pay the State general excise tax for which they are liable. Nonpayment of general excise tax, if true, results in loss of tax revenues for the State and further provides an unfair advantage over local contractors since excise tax is not factored in the mainland contractors bids.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.C.R. No. 133 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 988-86 Public Employment and Government Operations and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 146

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a survey of county lands used or previously used as public school sites. The survey is to include:

- (1) the size, name, and location of each parcel fully or partially owned by a county which has been or is presently utilized as a public school site;
- (2) the current use of each such parcel;
- (3) the future plans of the Department of Education for each parcel not currently used for school purposes; and
- (4) the restrictions, if any, which might limit the possible uses of those parcels no longer being used for school purposes.

The Legislative Auditor must submit a report of its findings and recommendations to the Legislature not later than twenty days prior to the 1987 Regular Session.

The Department of Education (DOE) submitted testimony in support of this concurrent resolution, but requested that the Department of Land and Natural Resources (DLNR) be included in the study. Your Committee has adopted the recommendation of the DOE and amended the concurrent resolution to include the DLNR in the study.

Your Committee finds that this study is needed to examine how abandoned school sites might be used for other public purposes such as parks and housing projects. However, your Committee believes that it is also important for the DOE to have an adequate number of available school sites to effectively respond to population changes as well as to other economic and demographic factors. Therefore, your Committee has amended the concurrent resolution by requesting the Legislative Auditor to also examine whether certain parcels could be used for purposes other than educational purposes without adversely impacting future school construction programs.

Your Committee also made some amendments to the concurrent resolution for purposes of style and clarity.

Your Committees on Public Employment and Government Operations and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 146, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 146, H.D. 1.

Signed by all members of the Committees.

SCRep. 989-86 Consumer Protection and Commerce on H.R. No. 83

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs and the Director of Labor and Industrial Relations to review the report of the National Council of Fishing Vessel Safety and Insurance, "Fishing Vessel Injury Alternative Compensation Analysis", and to examine the feasibility of implementing the intent of the recommendations contained therein.

Your Committee received testimony from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 83 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 990-86 Consumer Protection and Commerce on H.C.R. No. 53

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs and the Director of Labor and Industrial Relations to review the report of the National Council of Fishing Vessel Safety and Insurance, "Fishing Vessel Injury Alternative Compensation Analysis", and to examine the feasibility of implementing the intent of the recommendations contained

therein.

Your Committee received testimony from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 53 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 991-86 Consumer Protection and Commerce on S.C.R. No. 61

The purpose of this concurrent resolution is to request a study of the taxation of insurance premiums and the preferential rates being granted domestic insurance companies.

The United States Supreme Court has questioned the constitutionality of state laws which give preferential treatment to domestic insurance companies in Metro-politan Life Insurance, et al. v. Ward, W. G., et al. and remanded the case to the states. Hawaii is one of the states which gives preferential tax treatment to domestic insurance companies and many foreign insurance companies are paying the premium tax under protest, pending resolution of the issue.

This concurrent resolution calls for the appointment of a panel to study the issue with the purpose of formulating recommendations which, if implemented, will satisfy the parties involved and eliminate extended litigation and continued protest of tax payments.

Your Committee received favorable testimony from Island Insurance Company and First Insurance Company of Hawaii, Ltd.

Your Committee, upon further consideration, has amended the bill by requesting the Governor to appoint individuals with expertise in the field of taxation to supplement the panel of individuals with expertise in the area of insurance.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 61, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 61, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 992-86 Consumer Protection and Commerce and Employment
Opportunities and Labor Relations on H.R. No. 55

The purpose of H.R. No. 55 is to request the Director of Commerce and Consumer Affairs, in cooperation with the Director of Labor and Industrial Relations, to review the use of processing fees charged to job applicants by prospective employers and recommend any additional legislation which may be necessary to protect prospective employees.

Your Committees received favorable testimony from the Department of Commerce and Consumer Affairs (DCCA) and the Department of Labor and Industrial Relations. The DCCA testified, however, that they did not have jurisdiction over the processing fees charged to a job applicant by an employer involving an employer-prospective employee relationship. Accordingly, the DCCA recommended that the Department of Labor and Industrial Relations take the lead in this review in cooperation with the DCCA.

Your Committees, upon further consideration, have amended the title and the resolution as recommended by the DCCA.

Your Committees on Consumer Protection and Commerce and Employment Opportunities and Labor Relations concur with the intent and purpose of H.R. No. 55, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 55, H.D. 1.

Signed by all members of the Committees.

SCRep. 993-86 Consumer Protection and Commerce and Employment
Opportunities and Labor Relations on H.C.R. No. 30

The purpose of H.C.R. No. 30 is to request the Director of Commerce and Consumer Affairs, in cooperation with the Director of Labor and Industrial Relations, to review the use of processing fees charged to job applicants by prospective employers and recommend any additional legislation which may be necessary to protect prospective employees.

Your Committees received favorable testimony from the Department of Commerce and Consumer Affairs (DCCA) and the Department of Labor and Industrial Relations. The DCCA testified, however, that they did not have jurisdiction over the processing fees charged to a job applicant by an employer involving an employer-prospective employee relationship. Accordingly, the DCCA recommended that the Department of Labor and Industrial Relations take the lead in this review in cooperation with the DCCA.

Your Committees, upon further consideration, have amended the title and the concurrent resolution as recommended by the DCCA.

Your Committees on Consumer Protection and Commerce and Employment Opportunities and Labor Relations concur with the intent and purpose of H.C.R. No. 30, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 30, H.D. 1.

Signed by all members of the Committees.

SCRep. 994-86 Consumer Protection and Commerce on H.C.R. No. 150

The purpose of this concurrent resolution is to request the President of the State Senate and the Speaker of the State House of Representatives to appoint a Special Interim Committee to ascertain the positive and negative consequences that would result if foreign banks were permitted to conduct full-scale commercial banking operations in Hawaii.

Your Committee received favorable testimony from the Hawaii League of Savings Institutions and the Hawaii Bankers Association. The Department of Commerce and Consumer Affairs testified that it had no objection to the concurrent resolution.

Your Committee, upon further consideration, has amended the concurrent resolution by making nonsubstantive grammatical corrections.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 150, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 150, H.D. 1.

Signed by all members of the Committee.

SCRep. 995-86 Transportation and Consumer Protection and Commerce on
H.R. No. 171

The purpose of this resolution is to request the appropriate state agencies, including the Department of Transportation, the Office of Consumer Protection, and the Business Registration Division of the Department of Commerce and Consumer Affairs to conduct a study on the use of presale ticket promotions by the airline industry.

Your Committees find that the use of advance sale coupons by a number of airlines that serve the domestic market in Hawaii could possibly raise a number of consumer-related issues such as deceptive advertising, fraud, and securities violations. Your Committees were also concerned about the harsh effects of bankruptcy upon the purchasers of these coupons.

Your Committees further find that those issues raised by advance sale coupons are applicable to existing and fully operational airline carriers as well as pre-operational situations where these sales are made prior to the actual start of operations by the airline carrier.

Your Committees received testimony from the Department of Transportation and the Business Registration Division of the Department of Commerce and Consumer Affairs indicating that their involvement in these situations would be very limited due to the nature of the transaction. The Office of Consumer Protection also testified in support of the resolution and indicated that it would have no objections to taking over as the lead agency in preparing the study.

Your Committees have therefore amended the resolution to reflect that the Office of Consumer Protection will be the lead agency; and that the Office of Consumer Protection shall consult with the Department of Transportation, the Federal Aviation Administration, the Business Registration Division of the Department of Commerce and Consumer Affairs and representatives from the airline industry in preparing the requested study.

Your Committees have further amended the resolution to delete the phrase "presale ticket promotions" and to insert in its place the phrase "advance sale coupons", which would more accurately reflect the type of sales promotions by the airline industry.

Your Committees on Transportation and Consumer Protection and Commerce concur with the intent and purpose of H.R. No. 171, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 171, H.D. 1.

Signed by all members of the Committees except Representatives Tom, Anderson and Jones.

SCRep. 996-86 Transportation on H.R. No. 175

The purpose of this resolution is to request the Department of Transportation to meet with the Onizuka Memorial Committee to discuss the dedication and inclusion of the name "Lt. Col. Onizuka Field" with Keahole Airport and the construction of an exhibit in his memory.

Your Committee finds that the late Lt. Col. Onizuka distinguished himself in the field of aeronautics and aviation and was the first astronaut from Hawaii to venture into space.

Your Committee received testimony from the Department of Transportation indicating it would agree to consider naming the terminal building after Lt. Col. Onizuka as well as the construction of an exhibit. The Department of Transportation further informed your Committee its understanding was that the responsibility for designating names would be under the auspices of a special commission formed by the Governor.

Upon further investigation by your Committee, it was not clear which agency, board or commission has the authority to make the requested name change. Your Committee therefore amended the resolution to add a section requiring that the Department of Transportation or appropriate agency work with the commission or board to expedite the name change.

Your Committee also received testimony from Claude S. Onizuka, brother of Lt. Col. Onizuka and Fred Y. Fujimoto, Chairman of the Onizuka Memorial Committee, supporting the resolution.

Your Committee amended the resolution to change the date the Department of Transportation would have to report back to the Legislature to twenty days before the convening of the Regular Session of 1987 from the originally requested date of April 18, 1986.

Your Committee has also made some technical, nonsubstantive amendments to the resolution for purposes of style and clarity.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 175, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representative Anderson.

SCRep. 997-86 Transportation on H.C.R. No. 107

The purpose of this concurrent resolution is to request the Department of Transportation to meet with the Onizuka Memorial Committee to discuss the dedication and inclusion of the name "Lt. Col. Onizuka Field" with Keahole Airport and the construction of an exhibit in his memory.

Your Committee finds that the late Lt. Col. Onizuka distinguished himself in the field of aeronautics and aviation and was the first astronaut from Hawaii to venture into space.

Your Committee received testimony from the Department of Transportation indicating it would agree to consider naming the terminal building after Lt. Col. Onizuka as well as the construction of an exhibit. The Department of Transportation further informed your Committee its understanding was that the responsibility for designating names would be under the auspices of a special commission formed by the Governor.

Upon further investigation by your Committee, it was not clear which agency, board or commission has the authority to make the requested name change. Your Committee therefore amended the concurrent resolution to add a section requiring that the Department of Transportation or appropriate agency work with the commission or board to expedite the name change.

Your Committee also received testimony from Claude S. Onizuka, brother of Lt. Col. Onizuka and Fred Y. Fujimoto, Chairman of the Onizuka Memorial Committee, supporting the concurrent resolution.

Your Committee amended the concurrent resolution to change the date the Department of Transportation would have to report back to the Legislature to twenty days before the convening of the Regular Session of 1987 from the originally requested date of April 18, 1986.

Your Committee has also made some technical, nonsubstantive amendments to the concurrent resolution for purposes of style and clarity.

Your Committee on Transportation 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 Anderson.

SCRep. 998-86 Judiciary on H.R. No. 106 (Majority)

The purpose of this resolution is to request a study on the feasibility of enacting legislation to allow parimutuel wagering through the construction and operation of a "Teletrack" theatre in the State of Hawaii.

Your Committee received testimony from the Hawaii Greyhound Racing Club, Inc. (HGRCI) which cited the success of Teletrack Theatres in other states, particularly the experience in Connecticut. The teletrack theatre located in New Haven, Connecticut has been extremely successful, netting about \$16 million in annual revenue for the State of Connecticut. Because the population of Connecticut is nearly the same as the population of Hawaii, HGRCI anticipated that the revenues would be comparable.

HGRCI also testified that the teletrack theatre will assist Hawaii's tourist industry and provide significant capital investment and employment for the State. A teletrack theatre similar to the one in Connecticut would cost approximately \$12 to \$15 million and create an estimated 225 jobs. HGRCI further testified that only private funds would be solicited to construct the facility and no state funds would be required. Private studies commissioned in Hawaii indicate that the majority of residents of Oahu favor legalized gambling and support legalized parimutuel wagering on live greyhound racing in Hawaii.

Your Committee has amended the bill to direct the Legislative Reference Bureau to conduct the study and made certain technical, non-substantive amendments.

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

the resolution as well as the need to broaden the scope of the study.

HHA further testified that they are preparing to conduct a market survey to determine who owns the land underneath Hawaii's residential condominiums and cooperative housing corporations and the owner-occupancy rate of these multi-unit structures. The survey is expected to be completed sometime this summer.

Your Committee is concerned that the HHA survey and the LRB study might overlap. In order to avoid any duplication of effort, your Committee believes that the Legislative Reference Bureau (LRB) should consult with HHA and that HHA should provide the LRB with the results of its survey to assist the LRB in preparing the study on the land ownership patterns of Hawaii's residential condominiums and cooperative housing corporations.

Your Committee has therefore amended the resolution to reflect the above concerns.

In addition, your Committee has also added another factor for the study to address. Your Committee has also requested for an analysis of the conditions and terms under which the condominium and cooperative projects were originally developed to be included as part of the study.

Your Committee has also made some technical, nonsubstantive amendments to the resolution for purposes of style and clarity.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 249, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 249, H.D. 1.

Signed by all members of the Committee.

SCRep. 1002-86 Housing on H.C.R. No. 169

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study of the land ownership patterns of Hawaii's residential condominiums and cooperative housing corporations in order for the Legislature to decide whether there is a public purpose by determining whether an oligopoly of landowners exists whose prevailing practice is to lease their land to residential condominiums and cooperative housing corporations, and whether it is in the public interest to allow such condominium and cooperative housing owners to have their property condemned in order to obtain the fee simple rights.

Your Committee received considerable testimony on this concurrent resolution. Representatives from the Hawaii Housing Authority (HHA), the Hawaii Association of Realtors, the Hawaii Council of Associations of Apartment Owners and others testified in favor of this concurrent resolution. However, representatives from Castle Estate and Kamehameha Schools/Bishop Estate expressed concerns over the basic premise of the concurrent resolution as well as the need to broaden the scope of the study.

HHA further testified that they are preparing to conduct a market survey to determine who owns the land underneath Hawaii's residential condominiums and cooperative housing corporations and the owner-occupancy rate of these multi-unit structures. The survey is expected to be completed sometime this summer.

Your Committee is concerned that the HHA survey and the LRB study might overlap. In order to avoid any duplication of effort, your Committee believes that the Legislative Reference Bureau (LRB) should consult with HHA and that HHA should provide the LRB with the results of its survey to assist the LRB in preparing the study on the land ownership patterns of Hawaii's residential condominiums and cooperative housing corporations.

Your Committee has therefore amended the concurrent resolution to reflect the above concerns.

In addition, your Committee has also added another factor for the study to address. Your Committee has also requested for an analysis of the conditions and terms under which the condominium and cooperative projects were originally developed to be included as part of the study.

Your Committee has also made some technical, nonsubstantive amendments to the concurrent resolution for purposes of style and clarity.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 169, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 169, H.D. 1.

Signed by all members of the Committee.

SCRep. 1003-86 Housing and Consumer Protection and Commerce on H.R. No.
96

The purpose of this resolution is to request that the Legislative Reference Bureau make a comprehensive review of the residential landlord-tenant code, chapter 521, Hawaii Revised Statutes.

Presently the State is subject to a landlord-tenant code that was enacted in 1972 after two years of study, deliberation, and research by several legislators and numerous interested groups and persons. However, fourteen years have elapsed and Hawaii's residential rental market has changed and newer court cases decided.

Your Committees recommend that the review include the relationship of the code with the present rental market in Hawaii and with the pertinent court decisions and related statutes and that the Legislative Reference Bureau solicit input from interested persons and organizations, including the Office of Consumer Protection, the Hawaii Bar Association and the Hawaii Association of Realtors.

Your Committees request that the Legislative Reference Bureau report its findings and recommendations, including drafts of recommended legislation, to the Legislature twenty days before the convening of the Regular Session of 1987.

Your Committees on Housing and Consumer Protection and Commerce concur with the intent and purpose of H.R. No. 96 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tom.

SCRep. 1004-86 Housing and Consumer Protection and Commerce on H.C.R.
No. 58

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau make a comprehensive review of the residential landlord-tenant code, chapter 521, Hawaii Revised Statutes.

Presently the State is subject to a landlord-tenant code that was enacted in 1972 after two years of study, deliberation, and research by several legislators and numerous interested groups and persons. However, fourteen years have elapsed and Hawaii's residential rental market has changed and newer court cases decided.

Your Committees recommend that the review include the relationship of the code with the present rental market in Hawaii and with the pertinent court decisions and related statutes and that the Legislative Reference Bureau solicit input from interested persons and organizations, including the Office of Consumer Protection, the Hawaii Bar Association and the Hawaii Association of Realtors.

Your Committees request that the Legislative Reference Bureau report its findings and recommendations, including drafts of recommended legislation, to the Legislature twenty days before the convening of the Regular Session of 1987.

Your Committees on Housing and Consumer Protection and Commerce concur with the intent and purpose of H.C.R. No. 58 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tom.

SCRep. 1005-86 Tourism on H.C.R. No. 208

The purpose of this concurrent resolution is to request the President of the State Senate and the Speaker of the House of Representatives to appoint five members of the Senate and the House, respectively, to form a Special Interim Committee to select a site for a convention center.

Your Committee received testimony from a number of organizations representing the visitor industry in support of this concurrent resolution. A representative from the Hawaii Hotel Association again reiterated that organization's strong support of a convention center, and testified that the convention market is growing and that many associations are deciding against Hawaii as a site for their conventions since the State does not have proper meeting and exhibition facilities to accommodate large gatherings. A representative from the Waikiki Improvement Association added that a sufficient amount of study has been completed to determine objectively the best site for a convention center, and that legislation for actual site selection should move forward.

Upon further consideration, your Committee amended the concurrent resolution to change the fourth WHEREAS clause to clarify that associations, and not the State, consider the availability of lodging and meeting facilities in selecting a convention site.

Your Committee on Tourism concurs with the intent and purpose of H.C.R. No. 208, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 208, H.D. 1.

Signed by all members of the Committee.

SCRep. 1006-86 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 269

The purpose of this resolution is to request the Department of Planning and Economic Development (DPED), in cooperation with the Department of Transportation and the University of Hawaii's School of Travel Industry Management, to study the feasibility of a public sector trading company in Hawaii.

The U.S. Congress passed the Export Trading Company Act of 1982 to facilitate public sector agencies, including port authorities and development corporations, to establish innovative export programs keyed to local, state, and regional needs. The Act further permits participation of banks and other financial institutions and provides for anti-trust protection. According to testimony by DPED, passage of the Act was to strengthen the United States' competitive trade position in the world market and its ability to export. Your Committee is of the opinion that DPED should undertake a feasibility study as proposed in this resolution.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 269 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1007-86 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 221

The purpose of this resolution is to request the Office of Hawaiian Affairs (OHA) to examine the administrative and programmatic needs of schools which teach the Hawaiian language to preschool children through the language immersion technique.

Your Committee received testimony from OHA, the University of Hawaii, and 'Aha Punana Leo, all in support of the resolution. According to 'Aha Punana Leo, an organization presently operating three Hawaiian-language immersion schools to promote the survival of the Hawaiian language, there are fewer than 2,000 native speakers of Hawaiian today, of which most are over 60 years of age and approximately 35 are children. Your Committee is of the opinion that the survival of the Hawaiian language is essential to Hawaii and its people and that OHA should consider the intent of this resolution as a high priority. Therefore, your Committee has amended it by including the following "BE IT FURTHER

RESOLVED" clause:

"BE IT FURTHER RESOLVED that the Office of Hawaiian Affairs insistently pursue the highest level of justice for the survival of the Hawaiian language".

Your Committee has made several technical, non-substantive amendments, including the insertion of the phrase "at least 20 days" in the fifth "BE IT FURTHER RESOLVED" clause, for the purpose of grammatical correction, style, and clarity.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 221, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 221, H.D. 1.

Signed by all members of the Committee except Representative Tom.

SCRep. 1008-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 143

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs (OHA) to examine the administrative and programmatic needs of schools which teach the Hawaiian language to preschool children through the language immersion technique.

Your Committee received testimony from OHA, the University of Hawaii, and 'Aha Punana Leo, all in support of the concurrent resolution. According to 'Aha Punana Leo, an organization presently operating three Hawaiian-language immersion schools to promote the survival of the Hawaiian language, there are fewer than 2,000 native speakers of Hawaiian today, of which most are over 60 years of age and approximately 35 are children. Your Committee is of the opinion that the survival of the Hawaiian language is essential to Hawaii and its people and that OHA should consider the intent of this concurrent resolution as a high priority. Therefore, your Committee has amended it by including the following "BE IT FURTHER RESOLVED" clause:

"BE IT FURTHER RESOLVED that the Office of Hawaiian Affairs insistently pursue the highest level of justice for the survival of the Hawaiian language".

Your Committee has made several technical, non-substantive amendments, including the insertion of the phrase "at least 20 days" in the fifth "BE IT FURTHER RESOLVED" clause, for the purpose of grammatical correction, style, and clarity.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 143, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 143, H.D. 1.

Signed by all members of the Committee except Representative Tom.

SCRep. 1009-86 Human Services and Higher Education and the Arts on
H.C.R. No. 156

The purpose of this concurrent resolution is to request a study of the feasibility of establishing multi-purpose senior citizen centers on community college campuses including recommendations for implementation, if warranted.

Your Committees received testimony in favor of this measure from the Chancellor for Community Colleges of the University of Hawaii, the Executive Office on Aging, the Hawaii Institute of Senior Centers, the Kapahulu Multi-Purpose Senior Center and the Catholic Services to the Elderly/Lanakila Multi-Purpose Senior Center.

Your Committees find that the Kapahula Multi-Purpose Senior Center is the only multi-purpose senior center in the State that is presently administered by the University of Hawaii Community Colleges system and that the study proposed by this concurrent resolution would be helpful in further exploring available alternatives to establishing senior citizens centers, including a university-affiliated multi-purpose center, as detailed in a 1975 study by the Andrus Gerontology Center of the University of Southern California.

Testimony received in support indicated that these proposed centers would provide the opportunity for greater intellectual stimulation and challenge to our senior citizens, most of whom have high school degrees and a vast wealth of experiences that could be shared with the young in an educational atmosphere. As these centers develop, they would be easily accessible through a college campus where facilities and resources are available and whereby researchers would have the opportunity to monitor and evaluate problems associated with the aging process.

Your Committees also feel that the proposed study is especially timely in light of the reduction of federal financial participation in senior citizen programs and would serve as a basis for examining the present system of senior centers and making recommendations for additional quality programs for our elderly on a statewide basis.

Your Committees have amended this concurrent resolution to include as study participants the Office of the Chancellor for Community Colleges, the Executive Office on Aging, and the four county area agencies on aging, to work in conjunction with the Legislative Research Bureau on factors dealing with the community colleges as well as the needs and desires of the State's senior citizens.

Your Committees also made some technical, nonsubstantive amendments to this concurrent resolution for purposes of style and clarity.

Your Committees on Human Services and Higher Education and the Arts concur with the intent and purpose of H.C.R. No. 156, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 156, H.D. 1.

Signed by all members of the Committees.

SCRep. 1010-86 Water, Land Use, Development and Hawaiian Affairs on
S.C.R. No. 14

The purpose of this concurrent resolution is to request and authorize the Department of Land and Natural Resources (DLNR) to do the following:

(1) To expend any appropriated or authorized funds at its disposal to formulate a plan to provide lessees, permittees, and holdover tenants of agricultural lands long-term security and tenancy by considering various alternatives including:

- (a) The right of first refusal to purchase their lands in fee simple, or
- (b) The right to lease such lands on terms mutually agreeable to both the lessee and the Board of Land and Natural Resources;

(2) To report its plans and recommendations to the Legislature before the convening of the Regular Session of 1987; and

(3) To hold in abeyance any plans to lease or otherwise dispose of such lands until a plan has been presented to and approved by the Legislature, except where such actions will not directly affect current permittees and lessees, or where they are in violation of the provisions of their permits and leases.

Your Committee received testimony by DLNR, in support of this concurrent resolution. In effect, this concurrent resolution would request that the plan permit lessees of agricultural lands to remain on such lands by purchase or lease as options.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of S.C.R. No. 14, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino, Metcalf and Tam.

SCRep. 1011-86 Judiciary on H.R. No. 53

The purpose of this resolution is to urge the media to use the utmost discretion in revealing the identity of children who are victims or witnesses, or the identity of their parents.

The Family Court of the First Circuit, Victim/Witness Kokua Services, and several individuals testified in support of this measure. The media has been generally responsible in handling news stories regarding children who are victims or witnesses to crimes. However, with news cameras being allowed in the courtroom, the possibility of revealing the identities of victims and witnesses has greatly increased. Testimony presented indicated that in a recent child sex abuse case, Channel 2 News disclosed the name of one of the child victims and the parents on a broadcast despite pleas to protect their identities.

Your Committee feels that children who are victims and their parents must be protected from the emotional and psychological injury that can occur when their names are exposed publicly.

Your Committee amended this resolution to correct an error in drafting which does not affect the purpose and intent of this resolution.

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

Signed by all members of the Committee.

SCRep. 1012-86 Planning, Energy and Environmental Protection on H.C.R.
No. 170

The purpose of this concurrent resolution is to support renewable energy programs in this State by urging the United States Congress to appropriate funds for the completion of the Department of Energy's MOD-5B wind turbine at Kahuku, Oahu.

According to Hawaiian Electric Industries, Inc., the 3.2 megawatt Boeing wind turbine is the culmination of ten years and over \$70 million of research by the federal government to develop large, efficient wind turbines. To date, a reinforced concrete pad and a 240-foot tower have been constructed at the Kahuku site, and almost all of the major component parts have been assembled on the mainland. However, further work has stopped due to Federal budget cuts apparently caused by the Gramm-Rudman Act. Earlier this year, the Administration proposed that \$10,240,000 needed to complete most of the project be deferred indefinitely. Such action, if carried out, would effectively kill the project.

Your Committee finds that the timely completion of this project would not only help reduce the State's dependence on imported fuel oil, it would also complete the federal government's efforts to develop a viable wind technology.

Upon further consideration, your Committee has amended this concurrent resolution to clarify that it is Hawaiian Electric Industries that has a contract to purchase the MOD-5B wind turbine from the federal government and not the reverse situation (third WHEREAS clause, page two).

Your Committee has further amended this concurrent resolution to correct technical drafting errors.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 170, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 170, H.D. 1.

Signed by all members of the Committee.

SCRep. 1013-86 Water, Land Use, Development and Hawaiian Affairs on H.R.
No. 226

The purpose of this resolution is to encourage the Department of Hawaiian Home Lands (DHHL) to study alternative means, including a land exchange involving

the Department of Land and Natural Resources (DLNR) and the County of Kauai, to resolve the Anahola Village Park issue.

Your Committee finds that DHHL had planned to award 20 lots to native Hawaiians at the Anahola Village Park site. Lots were surveyed, subdivided, and made ready for lot selection in February 1986. However, concern was expressed by Anahola Village residents and Kauai County Council members that the Park site should not be converted into residential lots. According to testimony by DHHL, it has deferred homestead awards of the Park site and has obtained an agreement by the County of Kauai to the following proposed plan of action:

- (1) That the County of Kauai would make a sincere effort to exchange the Anahola Village Park land for another property equal to or better than the Park site;
- (2) That, should the land exchange not proceed satisfactorily or is not consummated by June 30, 1986, DHHL would proceed to award the lots to its beneficiaries;
- (3) That the County of Kauai would pay \$12,500 for work completed at the Park site; and
- (4) That the County of Kauai would pay DHHL lease rent in the interim period.

DHHL also testified that the County of Kauai has already proposed several alternative sites which DHHL could acquire in exchange for the Park site. However, these sites are under DLNR jurisdiction. Moreover, DHHL reported that discussions on this matter have been held between the County of Kauai and DLNR. According to testimony by DLNR, it has no objection to the intent of this resolution and could provide assistance in any land exchange proposal.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 226 and recommends its adoption.

Signed by all members of the Committee except Representative Tom.

SCRep. 1014-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 153

The purpose of this concurrent resolution is to encourage the Department of Hawaiian Home Lands (DHHL) to study alternative means, including a land exchange involving the Department of Land and Natural Resources (DLNR) and the County of Kauai, to resolve the Anahola Village Park issue.

Your Committee finds that DHHL had planned to award 20 lots to native Hawaiians at the Anahola Village Park site. Lots were surveyed, subdivided, and made ready for lot selection in February 1986. However, concern was expressed by Anahola Village residents and Kauai County Council members that the Park site should not be converted into residential lots. According to testimony by DHHL, it has deferred homestead awards of the Park site and has obtained an agreement by the County of Kauai to the following proposed plan of action:

- (1) That the County of Kauai would make a sincere effort to exchange the Anahola Village Park land for another property equal to or better than the Park site;
- (2) That, should the land exchange not proceed satisfactorily or is not consummated by June 30, 1986, DHHL would proceed to award the lots to its beneficiaries;
- (3) That the County of Kauai would pay \$12,500 for work completed at the Park site; and
- (4) That the County of Kauai would pay DHHL lease rent in the interim period.

DHHL also testified that the County of Kauai has already proposed several alternative sites which DHHL could acquire in exchange for the Park site. However, these sites are under DLNR jurisdiction. Moreover, DHHL reported that

discussions on this matter have been held between the County of Kauai and DLNR. According to testimony by DLNR, it has no objection to the intent of this concurrent resolution and could provide assistance in any land exchange proposal.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 153 and recommends its adoption.

Signed by all members of the Committee except Representative Tom.

SCRep. 1015-86 Water, Land Use, Development and Hawaiian Affairs and
Tourism on H.R. No. 234

The purpose of this resolution is to provide for legislative support of the New Zealand Trade Expo scheduled for June 29 to July 1, 1986, in Honolulu.

Your Committees received testimony from the Department of Planning and Economic Development, the University of Hawaii, and the Office of Hawaiian Affairs, all in support of the resolution. Your Committees are in agreement that the Trade Expo might further expand and enhance the economic, cultural, and social interaction between Hawaii and New Zealand.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Tourism concur with the intent and purpose of H.R. No. 234 and recommend its adoption.

Signed by all members of the Committees except Representative Tom.

SCRep. 1016-86 Water, Land Use, Development and Hawaiian Affairs and
Tourism on H.C.R. No. 160

The purpose of this concurrent resolution is to provide for legislative support of the New Zealand Trade Expo scheduled for June 29 to July 1, 1986, in Honolulu.

Your Committees received testimony from the Department of Planning and Economic Development, the University of Hawaii, and the Office of Hawaiian Affairs, all in support of the concurrent resolution. Your Committees are in agreement that the Trade Expo might further expand and enhance the economic, cultural, and social interaction between Hawaii and New Zealand.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Tourism concur with the intent and purpose of H.C.R. No. 160 and recommend its adoption.

Signed by all members of the Committees except Representative Tom.

SCRep. 1017-86 Ocean and Marine Resources and Public Employment and
Government Operations on H.R. No. 143

The purpose of this resolution is to designate the black coral as the official State Gem of Hawaii.

The Department of Planning and Economic Development, the Institute of Marine Biology at the University of Hawaii at Manoa, the Hawaii Jewelers Association, Stan Shinkawa Inc., Maui Divers of Hawaii, Ltd., the Department of Land and Natural Resources and Mr. William Richardson submitted testimony in support of this measure.

Your Committees find that at present, there is an abundance of black coral in Hawaiian waters and that the quality of this coral surpasses that of other places where this gem is promoted for personal adornment and as tourist mementos. Based on testimony received passage of this measure will have the potential of enhancing the marketing of black coral. At present, the market is a depressed one. In addition, there is an abundance of black coral, which suggests that overharvesting is unlikely to occur over the short-term.

Your Committees find that proclaiming black coral as the official gem of the State of Hawaii will enhance our economy, as harvesting and the production of

jewelry and other items remains a local industry. Moreover, there is an abundance of black coral, as compared to the limited amount of pink and gold coral. However, in anticipation that this proclamation will intensify harvesting, production and marketing of black coral in Hawaii, and that there is a possibility that this may cause indiscriminate taking of this ocean resource so that its abundance is severely affected, your Committees amend this measure to request that the Department of Land and Natural Resources consider the promulgation of appropriate rules to ensure wise management in the harvesting of black coral by the jewelry industry. It is the intent of your Committees that the development of these rules by the department be in consultation with the University of Hawaii's Institute of Marine Biology and the Jewelry industry.

Your Committees on Ocean and Marine Resources and Public Employment and Government Operations concur with the intent and purpose H.R. No. 143, as amended herein, and recommend its adoption in the form attached here to as H.R. No. 143, H.D. 1.

Signed by all members of the Committees.

SCRep. 1018-86 Ocean and Marine Resources and Public Employment and
Government Operations on H.C.R. No. 85

The purpose of this concurrent resolution is to designate the black coral as the official State Gem of Hawaii.

The Department of Planning and Economic Development, the Institute of Marine Biology at the University of Hawaii at Manoa, the Hawaii Jewelers Association, Stan Shinkawa Inc., Maui Divers of Hawaii, Ltd., the Department of Land and Natural Resources and Mr. William Richardson submitted testimony in support of this measure.

Your Committees find that at present, there is an abundance of black coral in Hawaiian waters and that the quality of this coral surpasses that of other places where this gem is promoted for personal adornment and as tourist momentos. Based on testimony received passage of this measure will have the potential of enhancing the marketing of black coral. At present, the market is a depressed one. In addition, there is an abundance of black coral, which suggests that overharvesting is unlikely to occur over the short-term.

Your Committees find that proclaiming black coral as the official gem of the State of Hawaii will enhance our economy, as harvesting and the production of jewelry and other items remains a local industry. Moreover, there is an abundance of black coral, as compared to the limited amount of pink and gold coral. However, in anticipation that this proclamation will intensify harvesting, production and marketing of black coral in Hawaii, and that there is a possibility that this may cause indiscriminate taking of this ocean resource so that its abundance is severely affected, your Committees amend this measure to request that the Department of Land and Natural Resources consider the promulgation of appropriate rules to ensure wise management in the harvesting of black coral by the jewelry industry. It is the intent of your Committees that the development of these rules by the department be in consultation with the University of Hawaii's Institute of Marine Biology and the Jewelry industry.

Your Committees on Ocean and Marine Resources and Public Employment and Government Operations concur with the intent and purpose H.C.R. No. 85, as amended herein, and recommend its adoption in the form attached here to as H.C.R. No. 85, H.D. 1.

Signed by all members of the Committees.

SCRep. 1019-86 Water, Land Use, Development and Hawaiian Affairs on
S.C.R. No. 58

The purpose of this concurrent resolution is to provide legislative authorization to the Board of Land and Natural Resources (BLNR) to lease State submerged lands, together with an easement, at Sand Island for use as a cable ship berth and depot for maintenance and repair of submarine telecommunications cables.

S.C.R. No. 58 and H.C.R. No. 66 are companion concurrent resolutions. Your

Committee completed its public hearing on H.C.R. No. 66. Standing Committee Report No. 833-86 is attached to the House version.

Section 171-53, Hawaii Revised Statutes, covering the disposition of submerged or reclaimed public lands, provides that BLNR may lease or grant easements over submerged lands and lands beneath tidal waters, only with the prior approval of the Governor and with the prior authorization of the Legislature by concurrent resolution. According to testimony by BLNR, the Governor has granted his prior approval of this proposed disposition. BLNR stated that the applicant, Hawaii-Pacific Marine, Inc., would develop the facility and provide services to AT&T Communications for the basing of AT&T's cable inventory and ship.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of S.C.R. No. 58 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1020-86 Water, Land Use, Development and Hawaiian Affairs on
S.C.R. No. 45

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to consider the acquisition of a privately owned parcel of land at Makena, Maui (Tax Map Key 2-1-06:26), in exchange for a State-owned parcel in Kahului or elsewhere.

S.C.R. No. 45 and H.C.R. No. 60 are companion concurrent resolutions. Your Committee completed its public hearing on H.C.R. No. 60 and passed it out without amendment. Attached to H.C.R. No. 60 is Standing Committee Report No. 828-86, dated April 1, 1986.

According to testimony by DLNR, the Makena land would become a part of the Makena-La Perouse State Park. Some lands for development of the park have already been acquired by condemnation and exchange, and two private parcels to be acquired remain, one of which is the subject of this concurrent resolution. Your Committee finds that DLNR is currently negotiating with the owner of the said parcel.

Your Committee finds that the amendments in S.D. 1 are technical and non-substantive in nature.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of S.C.R. No. 45, S.D.1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1021-86 Water, Land Use, Development and Hawaiian Affairs on
S.C.R. No. 26

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to exchange land with the Hawaiian Memorial Park Cemetery Association for a state veterans cemetery.

Your Committee received testimony from DLNR in support of the intent of this concurrent resolution. The need for a veterans cemetery is self-evident as the National Memorial Cemetery of the Pacific, at Punchbowl, reaches its capacity for body burials. Moreover, DLNR testified that the establishment of veterans cemeteries in the Counties of Kauai, Maui, and Hawaii become the responsibilities of the respective County Council, pursuant to Section 363-5, Hawaii Revised Statutes. State lands are provided to the counties for this purpose. Moreover, no State or City and County of Honolulu agency is authorized by law to establish and operate veterans cemeteries on Oahu, apparently because of the existence of the federally established and maintained Punchbowl cemetery.

Your Committee is in agreement that it is not its intent to have a veterans cemetery to be maintained by the State or City and County of Honolulu. Rather,

the specification of the Kaneohe site, owned by the Hawaiian Memorial Park Cemetery Association, as acreage for land exchange proposed in this concurrent resolution is premature. Your Committee is of the opinion that a comprehensive study by DLNR, which should include site selection, development cost, operational and maintenance costs, and staffing plans, must precede any legislative support of the intent and purpose of this concurrent resolution. This study should consider various options of using State-owned lands, or acquiring lands, and should not be restricted to the specific proposal in this concurrent resolution. Therefore, your Committee has amended the concurrent resolution in the following manner:

(1) To change the title to read: "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO STUDY THE POSSIBILITIES OF USING STATE-OWNED LANDS, OR ACQUIRING LANDS, FOR A STATE VETERANS CEMETERY";

(2) To delete the last three "WHEREAS" clauses and the "BE IT RESOLVED" clause, and to replace them with the following two "WHEREAS" clauses and a new "BE IT RESOLVED" clause:

(a) "WHEREAS, the State of Hawaii may have lands suitable for a veterans cemetery or could acquire such lands";

(b) "WHEREAS, the idea of such acquisition should be pursued"; and

(c) "BE IT RESOLVED...that the Department of Land and Natural Resources is requested to study the possibilities of using State-owned lands, or acquiring lands, to provide for a state veterans cemetery"; and

(3) To make technical, non-substantive changes for the purpose of clarity and style.

Your Committee has made these amendments in support of a comprehensive study of options, rather than legislative fiat or instruction to purchase or to arrange for a specific land exchange.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of S.C.R. No. 26, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 26, H.D. 1.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1022-86 Water, Land Use, Development and Hawaiian Affairs on H.R.
No. 292

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to conduct an in-house management study of the Kekaha beach areas and to determine if these areas are unsafe for swimming.

According to testimony from DLNR, the U.S. Army Corps of Engineers has developed, since 1979, a coastal resources inventory for much of the State of Hawaii. DLNR has also developed detailed information, as part of the continuous inventory work associated with the State Comprehensive Outdoor Recreation Plan, relating to the intent and purpose of this resolution. Additional studies for specific areas identified in the inventory are still needed. Your Committee is in agreement that these studies are essential.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 292 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1023-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 192

The purpose of this concurrent resolution is to request the Department of Land

and Natural Resources (DLNR) to conduct an in-house management study of the Kekaha beach areas and to determine if these areas are unsafe for swimming.

According to testimony from DLNR, the U.S. Army Corps of Engineers has developed, since 1979, a coastal resources inventory for much of the State of Hawaii. DLNR has also developed detailed information, as part of the continuous inventory work associated with the State Comprehensive Outdoor Recreation Plan, relating to the intent and purpose of this concurrent resolution. Additional studies for specific areas identified in the inventory are still needed. Your Committee is in agreement that these studies are essential.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 192 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1024-86 Water, Land Use, Development and Hawaiian Affairs on H.R.
No. 315

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to undertake a study on the effectiveness of existing historic preservation efforts and statutes, especially in regard to the need for professional standards and certification, for guidelines for discovery of human remains, for stronger penalties, and for a separate Historic Sites Division.

According to testimony from DLNR, problems exist within the field of historic preservation and operations in the Department are in need of enhancement. These needs have already been identified in the State Historic Preservation Functional Plan and its Technical Reference Document and also in a report submitted to the Twelfth Legislature, Regular Session of 1983, in response to House Resolution No. 172 of the Eleventh Legislature, Regular Session of 1982.

Your Committee is in agreement that the proposed study is essential. However, your Committee is of the opinion that each of the four identified needs might be resolved by various alternatives and that the Legislature should be afforded the opportunity to review these alternatives for each need. Therefore, your Committee recommends that, in the "BE IT RESOLVED" clause, the word "findings" be replaced by the phrase "various sets of viable options that may be available to the Legislature to help resolve the 'identified need' concerns".

Your Committee has also made other technical, non-substantive amendments for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 315, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 315, H.D. 1.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1025-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 212

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to undertake a study on the effectiveness of existing historic preservation efforts and statutes, especially in regard to the need for professional standards and certification, for guidelines for discovery of human remains, for stronger penalties, and for a separate Historic Sites Division.

According to testimony from DLNR, problems exist within the field of historic preservation and operations in the Department are in need of enhancement. These needs have already been identified in the State Historic Preservation Functional Plan and its Technical Reference Document and also in a report submitted to the Twelfth Legislature, Regular Session of 1983, in response to House Resolution No. 172 of the Eleventh Legislature, Regular Session of 1982.

Your Committee is in agreement that the proposed study is essential. However, your Committee is of the opinion that each of the four identified needs might be resolved by various alternatives and that the Legislature should be afforded the opportunity to review these alternatives for each need. Therefore, your Committee recommends that, in the "BE IT RESOLVED" clause, the word "findings" be replaced by the phrase "various sets of viable options that may be available to the Legislature to help resolve the 'identified need' concerns".

Your Committee has also made other technical, non-substantive amendments for the purpose of clarity and style.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 212, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 212, H.D. 1.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1026-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 113

The purpose of this concurrent resolution is to provide for legislative authorization to the Department of Transportation (DOT) to dispose, by way of a lease, of certain government submerged lands, or a portion of Tax Map Key No. 1-2-23-33P, situated near Honolulu Harbor on Oahu, for exclusive lease rights for a period of 40 years for a marina facility.

Your Committee received testimony from DOT in support of this concurrent resolution. The proposed disposition shall be through public auction.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 113 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1027-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 114

The purpose of this concurrent resolution is to provide for legislative authorization to the Department of Transportation (DOT) to dispose, by way of a lease, of certain government submerged lands, or a portion of Tax Map Key No. 1-1-3-1P, situated near the Honolulu International Airport and Honolulu Harbor on Oahu, for exclusive lease rights for a period of 40 years for a marina facility.

Your Committee received testimony from DOT in support of this concurrent resolution. The proposed disposition shall be through public auction.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 114 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1028-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 117

The purpose of this concurrent resolution is to provide for legislative authorization to the Department of Transportation (DOT) to dispose, by way of a lease, of certain government submerged lands, or a portion of Tax Map Key No. 2-3-37-20, situated near the Ala Wai Small Boat Harbor in Honolulu, for exclusive lease rights for a period of 20 years for a marine facility.

Your Committee received testimony from DOT in support 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. 117 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1029-86 Planning, Energy and Environmental Protection on H.R. No.
189

The purpose of this resolution is to request the Department of Health to educate the public on the proper handling and disposal of petroleum and used automotive oil in anticipation of pending federal regulations on these products.

According to testimony presented by the Department of Health, on November 29, 1985, the federal government proposed that used oil be listed as a hazardous waste pursuant to the requirements of the Hazardous and Solid Waste Amendments of 1984. If promulgated, the proposed regulations would control all phases relating to the handling of used oil including: its accumulation, transportation, storage, treatment, and disposal. Because these regulations will have a major effect on the public, the Department supported an educational program for small business proprietors and others that would help them better understand the new regulations.

In concurring with the need for such a program, your Committee urges the Department to present an educational program that will provide the public with practical answers on how to comply with the law rather than with a brief recitation of the regulations.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 189 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1030-86 Planning, Energy and Environmental Protection on H.C.R.
No. 121

The purpose of this concurrent resolution is to request the Department of Health to educate the public on the proper handling and disposal of petroleum and used automotive oil in anticipation of pending federal regulations on these products.

According to testimony presented by the Department of Health, on November 29, 1985, the federal government proposed that used oil be listed as a hazardous waste pursuant to the requirements of the Hazardous and Solid Waste Amendments of 1984. If promulgated, the proposed regulations would control all phases relating to the handling of used oil including: its accumulation, transportation, storage, treatment, and disposal. Because these regulations will have a major effect on the public, the Department supported an educational program for small business proprietors and others that would help them better understand the new regulations.

In concurring with the need for such a program, your Committee urges the Department to present an educational program that will provide the public with practical answers on how to comply with the law rather than with a brief recitation of the regulations.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 121 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1031-86 Planning, Energy and Environmental Protection on H.R. No.
260

The purpose of this Resolution is to request the Legislative Auditor to conduct

a study on the feasibility of imposing an assessment on all new motor oil sold in Hawaii to encourage the use of used motor oil as a fuel.

Your Committee finds that out of the estimated 4,000,000 gallons of used motor oil generated in Hawaii annually, only a small proportion has been collected for disposal or reuse as a fuel. In recent months, the problem has been further aggravated by the fifty-cent per gallon fee imposed on service stations and repair facilities for used oil disposal. This Resolution requests a study on the feasibility of imposing an assessment on all new motor oil to encourage the use of used oil as a fuel. Your Committee finds that it is in the best interest of the State to develop a meaningful control system for used oil.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 260 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1032-86 Planning, Energy and Environmental Protection on H.C.R.
No. 175

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct a study on the feasibility of imposing an assessment on all new motor oil sold in Hawaii to encourage the use of used motor oil as a fuel.

Your Committee finds that out of the estimated 4,000,000 gallons of used motor oil generated in Hawaii annually, only a small proportion has been collected for disposal or reuse as a fuel. In recent months, the problem has been further aggravated by the fifty-cent per gallon fee imposed on service stations and repair facilities for used oil disposal. This Resolution requests a study on the feasibility of imposing an assessment on all new motor oil to encourage the use of used oil as a fuel. Your Committee finds that it is in the best interest of the State to develop a meaningful control system for used oil.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 175 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1033-86 Transportation and Ocean and Marine Resources on H.R. No.
227

The purpose of this Resolution is to place a moratorium on the issuance of new permits for commercial boating operations on public beaches located on the North Shore of Kauai.

Your Committees find that there is a need to provide administrative flexibility to enable the Department of Land and Natural Resources to coordinate the submission of the Ad Hoc Committee's final recommendations to the 1987 Legislature for action, while ensuring that the lifting of the moratorium is done in a timely manner and in keeping with sound judgement that these recommendations address the myriad of problems that impact on Kauai's North Shore.

Your Committees amend this measure as follows:

On page 2, add the first Be It Further Resolved to read:

BE IT FURTHER RESOLVED that this moratorium remain in effect until such time that final recommendations of the Ad Hoc Committee is received by the Legislature and action taken; and

Delete:

BE IT FURTHER RESOLVED that this moratorium remain in effect until December 31, 1986; and

Replace with:

BE IT FURTHER RESOLVED that in lieu of such Legislative action by the end of the 1987 legislative session the Department of Land and Natural Resources shall, at its discretion, take appropriate action on the Ad Hoc Committee's final recommendations as well as the temporary moratorium.

In item (1), delete "to December 31, 1986"; on page 3, delete "and" , and add, "now therefore".

Your Committees on Transportation and Ocean and Marine Resources concur with the intent and purpose of H.R. No. 227, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 227, H.D. 1.

Signed by all members of the Committees.

SCRep. 1034-86 Transportation and Ocean and Marine Resources on H.C.R.
No. 154

The purpose of this Concurrent Resolution is to place a moratorium on the issuance of new permits for commercial boating operations on public beaches located on the North Shore of Kauai.

Your Committees find that there is a need to provide administrative flexibility to enable the Department of Land and Natural Resources to coordinate the submission of the Ad Hoc Committee's final recommendations to the 1987 Legislature for action, while ensuring that the lifting of the moratorium is done in a timely manner and in keeping with sound judgement that these recommendations address the myriad of problems that impact on Kauai's North Shore.

Your Committees amend this measure as follows:

On page 2, add the first Be It Further Resolved to read:

BE IT FURTHER RESOLVED that this moratorium remain in effect until such time that final recommendations of the Ad Hoc Committee is received by the Legislature and action taken; and

Delete:

BE IT FURTHER RESOLVED that this moratorium remain in effect until December 31, 1986; and

Replace with:

BE IT FURTHER RESOLVED that in lieu of such Legislative action by the end of the 1987 legislative session the Department of Land and Natural Resources shall, at its discretion, take appropriate action on the Ad Hoc Committee's final recommendations as well as the temporary moratorium.

In item (1), delete "to December 31, 1986"; on page 3, delete "and" , and add, "now therefore".

Your Committees on Transportation and Ocean and Marine Resources concur with the intent and purpose of H.C.R. No. 154, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 154, H.D. 1.

Signed by all members of the Committees.

SCRep. 1035-86 Transportation and Ocean and Marine Resources on H.R. No.
170

The purpose of this Resolution is to request that the Department of Transportation formulate an ocean recreational motorcraft management plan to reduce conflicts with other ocean users.

The Department requested that this measure be amended to establish a "no wake" speed from 500 feet from shore instead of 500 yards, primarily for purposes of human safety.

Your Committees have amended this measure to change 500 yards to 500 feet offshore.

Your Committees on Transportation and Ocean and Marine Resources concur with the intent and purpose of H.R. 170, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 170, H.D. 1.

Signed by all members of the Committees.

SCRep. 1036-86 Transportation and Ocean and Marine Resources on H.C.R.
No. 106

The purpose of this Concurrent Resolution is to request that the Department of Transportation formulate an ocean recreational motorcraft management plan to reduce conflicts with other ocean users.

The Department requested that this measure be amended to establish a "no wake" speed from 500 feet from shore instead of 500 yards, primarily for purposes of human safety.

Your Committees have amended this measure to change 500 yards to 500 feet offshore.

Your Committees on Transportation and Ocean and Marine Resources concur with the intent and purpose of H.C.R. 106, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 1-6, H.D. 1.

Signed by all members of the Committees.

SCRep. 1037-86 Ocean and Marine Resources on S.C.R. No. 36

The purpose of this Senate concurrent resolution is to request a report on State and Federal actions to achieve an effective management role for the State of Hawaii in the Exclusive Economic Zone.

Your Committee has received testimony in favor of this measure.

Your Committee has made technical, non-substantive corrections to this measure.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of S.C.R. No. 36 and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 36, H.D. 1.

Signed by all members of the Committee.

SCRep. 1038-86 Ocean and Marine Resources on H.R. No. 229

The purpose of this resolution is to request that the chairperson of the Board of Land and Natural Resources investigate the illegal use of animal or fish chum to catch opelu with lift nets in fishing grounds off of Milolii, Hawaii.

Your Committee received testimony from the Department of Land and Natural Resources requesting that this measure be amended to include enabling the Department to hold public meetings that aim to resolve conflicts over any opelu fishing problems between the Kiilae-Keokea boundary and the Kapu-Kaulanamauna boundary on the Big Island, and enable the department to prepare and distribute information that clarifies existing laws on opelu fishing.

Your Committee amends this resolution by adding the following Be It Further Resolved:

BE IT FURTHER RESOLVED that the Department hold a public meeting to gather first-hand knowledge of, and discuss alternatives to alleviate, any opelu fishery problem that may be ongoing in the fishing grounds between the Kiilae-Keokea boundary and the Kapu-Kaulanamauna boundary on the Big Island; and

BE IT FURTHER RESOLVED that the Department prepare and distribute an informational newsletter to clarify existing provisions of law applicable to opelu fishing; and...

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 229, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 229, H.D. 1.

Signed by all members of the Committee.

SCRep. 1039-86 Ocean and Marine Resources on H.R. No. 246

The purpose of this resolution is to request the Legislative Reference Bureau to develop a compendium of ocean and marine-related policies that will assist decision-makers to be better aware of all such existing state policies.

Your Committee finds that decision-makers are oftentimes faced with an array of policies regarding the management of our ocean resources that are found in different documents and that are frequently not explicitly stated, thereby making it difficult to reference and to understand.

Your Committee further finds that the development of a guide to these widely scattered and sometimes difficult to understand policies would be a useful decision-making tool.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 246 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1040-86 Ocean and Marine Resources on H.C.R. No. 167

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to develop a compendium of ocean and marine-related policies that will assist decision-makers to be better aware of all such existing state policies.

Your Committee finds that decision-makers are oftentimes faced with an array of policies regarding the management of our ocean resources that are found in different documents and that are frequently not explicitly stated, thereby making it difficult to reference and to understand.

Your Committee further finds that the development of a guide to these widely scattered and sometimes difficult to understand policies would be a useful decision-making tool.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 167 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1041-86 Ocean and Marine Resources on H.R. No. 277

The purpose of this measure is to request that the Department of Planning and Economic Development prepare a report on the Institute of Oceanographic Science's proposed geological survey of the seafloor surrounding the Hawaiian archipelago that will utilize the Gloria sidescan sonar device.

Your Committee received supportive testimony on this measure. However, the Department of Planning and Economic Development recommended that the more appropriate lead agency be the Hawaii Institute of Geophysics at the U.H. Manoa campus. The Hawaii Institute of Geophysics agreed to take the lead role in this effort.

Your Committee amends this measure to reflect the change of lead role from the Department of Planning and Economic Development to the Hawaii Institute of

Geophysics at U.H. Manoa where ever such change is required in this measure.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 277, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 277, H.D. 1.

Signed by all members of the Committee.

SCRep. 1042-86 Ocean and Marine Resources on H.C.R. No. 184

The purpose of this measure is to request that the Department of Planning and Economic Development prepare a report on the Institute of Oceanographic Science's proposed geological survey of the seafloor surrounding the Hawaiian archipelago that will utilize the Gloria sidescan sonar device.

Your Committee received supportive testimony on this measure. However, the Department of Planning and Economic Development recommended that the more appropriate lead agency be the Hawaii Institute of Geophysics at the U.H. Manoa campus. The Hawaii Institute of Geophysics agreed to take the lead role in this effort.

Your Committee amends this measure to reflect the change of lead role from the Department of Planning and Economic Development to the Hawaii Institute of Geophysics at U.H. Manoa where ever such change is required in this measure.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 184, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 184, H.D. 1.

Signed by all members of the Committee.

SCRep. 1043-86 Transportation on H.R. No. 271

The purpose of this resolution is to request the Speaker of the House to appoint an interim committee to review a study previously authorized by this body. The interim committee would make findings and recommendations regarding legislation and appropriation for the actual implementation and organization of the proposed cargo distribution center.

Your Committee finds that the results of the previously approved study indicates there is a need for a cargo distribution center in Hilo and that there is a market available for such a center.

Your Committee received testimony from the Department of Planning and Economic Development, the Office of Housing and Community Development from the County of Hawaii, and the Department of Transportation supporting the intent of the resolution to study the feasibility of establishing an air cargo distribution center in Hilo.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 271 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1044-86 Ocean and Marine Resources on H.C.R. No. 201

The purpose of this concurrent resolution is to request the Director of Planning and Economic Development to study the feasibility of holding an ocean recreation conference in 1987.

In testimony presented in support of this measure, the Department of Planning and Economic Development (DPED) expressed its willingness to sponsor the conference in 1987, based on the need for such an activity. The Ocean Recreation Council of Hawaii (TORCH) recommended that a conference planning committee be established consisting of representatives from: the Hawaii Visitors Bureau; TORCH, and the University of Hawaii's Sea Grant College Program. TORCH

further recommended that this conference planning committee also develop an issues agenda for further study that would include any or all of the following topics:

- (1) Ocean user conflicts;
- (2) Enhancement of ocean recreational opportunities;
- (3) Water safety;
- (4) Promotion and marketing of ocean resources;
- (5) Conservation and enhancement of marine resources;
- (6) Infrastructure relating to ocean recreation; and
- (7) Regulations of ocean recreation activities.

Upon further consideration, your Committee has amended this concurrent resolution to incorporate the recommendations of DPED and TORCH by: (1) replacing the BE IT FURTHER RESOLVED clauses that are no longer necessary with clauses relating to the establishment of a conference planning committee and to the development of an issues agenda; and (2) amending the title of the measure and the BE IT RESOLVED clause to reflect DPED's recommendations. Your Committee has also made some nonsubstantive amendments to the concurrent resolution for purposes of style and clarity.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 201, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 201, H.D. 1.

Signed by all members of the Committee.

SCRep. 1045-86 Ocean and Marine Resources on H.R. No. 244

The purpose of this resolution is to request a study of replenishing depleted stocks of fish and shellfish through culture and release programs.

Your Committee has received testimony in support of this measure.

Your Committee on Ocean and Marine Resources 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. 1046-86 Ocean and Marine Resources on H.C.R. No. 165

The purpose of this concurrent resolution is to request a study of replenishing depleted stocks of fish and shellfish through culture and release programs.

Your Committee has received testimony in support of this measure.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 165 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1047-86 Transportation on H.R. No. 313

The purpose of this resolution is to request the Department of Transportation to conduct a use audit of the Ala Wai Canal activities and the potential impact of commercial and recreational use of the canal.

Your Committee finds that the potential commercial use of the Ala Wai Canal has raised many concerns by residents as well as others who regularly utilize the canal for recreational purposes.

Your Committee received testimony from the Department of Transportation and the Waikiki Residents Association supporting the resolution to request the Department of Transportation to conduct a use audit on the Ala Wai Canal.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 313 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1048-86 Transportation on H.C.R. No. 206

The purpose of this concurrent resolution is to request the Department of Transportation to conduct a use audit of the Ala Wai Canal activities and the potential impact of commercial and recreational use of the canal.

Your Committee finds that the potential commercial use of the Ala Wai Canal has raised many concerns by residents as well as others who regularly utilize the canal for recreational purposes.

Your Committee received testimony from the Department of Transportation and the Waikiki Residents Association supporting the concurrent resolution to request the Department of Transportation to conduct a use audit on the Ala Wai Canal.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 206 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1049-86 Ocean and Marine Resources on H.R. No. 306

The purpose of this resolution is to request the Director of Planning and Economic Development to study the feasibility of holding an ocean recreation conference in 1987.

In testimony presented in support of this measure, the Department of Planning and Economic Development (DPED) expressed its willingness to sponsor the conference in 1987, based on the need for such an activity. The Ocean Recreation Council of Hawaii (TORCH) recommended that a conference planning committee be established consisting of representatives from: the Hawaii Visitors Bureau; TORCH, and the University of Hawaii's Sea Grant College Program. TORCH further recommended that this conference planning committee also develop an issues agenda for further study that would include any or all of the following topics:

- (1) Ocean user conflicts;
- (2) Enhancement of ocean recreational opportunities;
- (3) Water safety;
- (4) Promotion and marketing of ocean resources;
- (5) Conservation and enhancement of marine resources;
- (6) Infrastructure relating to ocean recreation; and
- (7) Regulations of ocean recreation activities.

Upon further consideration, your Committee has amended this resolution to incorporate the recommendations of DPED and TORCH by: (1) replacing the BE IT FURTHER RESOLVED clauses that are no longer necessary with clauses relating to the establishment of a conference planning committee and to the development of an issues agenda; and (2) amending the title of the measure and the BE IT RESOLVED clause to reflect DPED's recommendations. Your Committee has also made some nonsubstantive amendments to the resolution for purposes of style and clarity.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 306, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 306, H.D. 1.

Signed by all members of the Committee.

SCRep. 1050-86 Transportation on H.R. No. 299

The purpose of this resolution is to request the State Department of Transportation to study conditions which pose hazards to athletes on the Queen

Kaahumanu State Highway and to develop recommendations to improve safety.

The Department of Transportation supported the resolution and indicated a willingness to conduct the study and develop recommendations to improve safety. Kevin Seiter testified in support of the resolution, indicating that West Hawaii is the home of the Ironman Triathlon, an annual event that attracts national attention. The Queen Kaahumanu State Highway is used in the Ironman Triathlon and in the training of athletes. It has been the scene of accidents that have resulted in the deaths of two bicyclists who were struck by vehicles. There have also been other accidents involving vehicles, bicycles, and/or pedestrians on state roadways in West Hawaii over the past few years. The proposed study would recommend safety improvements on Queen Kaahumanu State Highway.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 299 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1051-86 Ocean and Marine Resources on H.R. No. 317

The purpose of this resolution is to request the State Policy Council to expand the Hawaii Ocean Center (HOC) concept by:

- (1) Studying the feasibility of including major ocean exhibits and displays in the actual marine environment;
- (2) Undertaking a site selection study to identify potential sites for a marine exhibit;
- (3) Considering the option of buying out the sublease of Sea Life Park and locating the HOC at that site;
- (4) Expanding the membership of the State Policy Council; and
- (5) Augmenting the HOC's "umbrella" concept, including preparing specific recommendations on the future use of the Waikiki Aquarium facility.

Your Committee finds that the planned HOC, in order to attract visitors, will have to compete with other existing major aquariums including those in Monterey, Baltimore, San Francisco, and San Diego. The HOC will also have to compete with thirty new aquariums that are currently being planned or constructed in many other North American cities.

Your Committee further finds that one possible way to make the HOC a special, unique facility for visitors would be to capitalize on Hawaii's natural marine resources by incorporating major ocean exhibits and displays, in the actual marine environment, which can be viewed through a submerged observatory in the ocean or through the diving masks of swimmers.

This resolution requests the State Policy Council to study the feasibility of including such an ocean exhibit in the conceptual plans for the HOC. This resolution also suggests Makapuu, where Sea Life Park is located, as an appropriate location. As part of the site selection study, the Policy Council is requested to consider the specific option of buying out Sea Life Park's sublease, taking over the operations of that facility, and constructing the HOC at this site as well as in the waters off Makapuu.

Your Committee heard testimony from the Department of Planning and Economic Development (DPED), the Department of Accounting and General Services, and the Waikiki Aquarium. The DPED testified that a major concern of the HOC is potential negative impact on Sea Life Park. Acquiring Sea Life Park and locating the HOC there is an option that has been proposed. The Waikiki Aquarium testified that underwater observatories have been considered by other aquariums, but have been abandoned due to concerns over underwater conditions, liability insurance, and the high costs of construction and maintenance. The Waikiki Aquarium also testified that the Makapuu area frequently experiences heavy seas, which would reduce underwater visibility as well as possibly damage an underwater facility. In addition, there is a lack of naturally occurring coral, fish and other marine life at Makapuu.

Upon consideration of the testimony offered, your Committee has amended the resolution to include references to Hanauma Bay and other Oahu sites as possible locations for an underwater exhibit. Your Committee has also amended all references to the "State Policy Council" to the "Policy Planning Committee" of the HOC. The DPED testified that the State Policy Council manages the Hawaii State Plan process. Your Committee has also amended the membership of the Policy Planning Committee to include seven members to be appointed by the Governor (including representatives from the Bishop Museum, the Hawaii Visitors Bureau, and the Board of Governors of the Hawaiian Islands Aquarium Corporation). Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 211, as amended herein, and recommends it be referred to the Committee on Finance as H.C.R. No. 211, H.D. 1.

Signed by all members of the Committee.

SCRep. 1052-86 Ocean and Marine Resources on H.C.R. No. 211

The purpose of this concurrent resolution is to request the State Policy Council to expand the Hawaii Ocean Center (HOC) concept by:

- (1) Studying the feasibility of including major ocean exhibits and displays in the actual marine environment;
- (2) Undertaking a site selection study to identify potential sites for a marine exhibit;
- (3) Considering the option of buying out the sublease of Sea Life Park and locating the HOC at that site;
- (4) Expanding the membership of the State Policy Council; and
- (5) Augmenting the HOC's "umbrella" concept, including preparing specific recommendations on the future use of the Waikiki Aquarium facility.

Your Committee finds that the planned HOC, in order to attract visitors, will have to compete with other existing major aquariums including those in Monterey, Baltimore, San Francisco, and San Diego. The HOC will also have to compete with thirty new aquariums that are currently being planned or constructed in many other North American cities.

Your Committee further finds that one possible way to make the HOC a special, unique facility for visitors would be to capitalize on Hawaii's natural marine resources by incorporating major ocean exhibits and displays, in the actual marine environment, which can be viewed through a submerged observatory in the ocean or through the diving masks of swimmers.

This Concurrent Resolution requests the State Policy Council to study the feasibility of including such an ocean exhibit in the conceptual plans for the HOC. This Concurrent Resolution also suggests Makapuu, where Sea Life Park is located, as an appropriate location. As part of the site selection study, the Policy Council is requested to consider the specific option of buying out Sea Life Park's sublease, taking over the operations of that facility, and constructing the HOC at this site as well as in the waters off Makapuu.

Your Committee heard testimony from the Department of Planning and Economic Development (DPED), the Department of Accounting and General Services, and the Waikiki Aquarium. The DPED testified that a major concern of the HOC is potential negative impact on Sea Life Park. Acquiring Sea Life Park and locating the HOC there is an option that has been proposed. The Waikiki Aquarium testified that underwater observatories have been considered by other aquariums, but have been abandoned due to concerns over underwater conditions, liability insurance, and the high costs of construction and maintenance. The Waikiki Aquarium also testified that the Makapuu area frequently experiences heavy seas, which would reduce underwater visibility as well as possibly damage an underwater facility. In addition, there is a lack of naturally occurring coral, fish and other marine life at Makapuu.

Upon consideration of the testimony offered, your Committee has amended the

Concurrent Resolution to include references to Hanauma Bay and other Oahu sites as possible locations for an underwater exhibit. Your Committee has also amended all references to the "State Policy Council" to the "Policy Planning Committee" of the HOC. The DPED testified that the State Policy Council manages the Hawaii State Plan process. Your Committee has also amended the membership of the Policy Planning Committee to include seven members to be appointed by the Governor (including representatives from the Bishop Museum, the Hawaii Visitors Bureau, and the Board of Governors of the Hawaiian Islands Aquarium Corporation). Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 211, as amended herein, and recommends it be referred to the Committee on Finance as H.C.R. No. 211, H.D. 1.

Signed by all members of the Committee.

SCRep. 1053-86 Education and Public Employment and Government Operations
on H.R. No. 289

The purpose of this resolution is to request the Department of Education to examine alternative school organization structures and compensation systems.

Your Committees heard testimony from the Department of Education which stated that it is not in concurrence with H.R. No. 289. It is the Department's contention that it is unnecessary to conduct the study to examine the feasibility of implementing alternative school organization structures and compensation systems. The Department's testimony addressed the five concerns of the resolution and also included a copy of a study entitled, "Reaching for Excellence In Instruction - School Incentive Program."

Your Committees have amended this resolution to state that this body requests the Department of Education and the Hawaii State Teachers Association to jointly explore ways of reducing class size in the public schools. Your Committees have also amended the title of this resolution for grammatical purposes to read: "REQUESTING THE DEPARTMENT OF EDUCATION TO EXAMINE ALTERNATIVE SCHOOL ORGANIZATION STRUCTURES AND COMPENSATION SYSTEMS".

Your Committees on Education and Public Employment and Government Operations are in accord with the intent and purpose of H.R. No. 289, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 289, H.D. 1.

Signed by all members of the Committees.

SCRep. 1054-86 Human Services on H.R. No. 220

The purpose of this resolution is to request a review by the Department of Social Services and Housing (Department) of its policy of permitting "good cause" exceptions to the requirement of client cooperation in the establishment of paternity for child support eligibility. At the present time, "good cause" under federal regulations and State rules exists when the attempts to establish paternity or obtain child support may result, or actually results, in emotional or physical harm to the child, custodial parent, or caretaker relative.

Your Committee received testimony from an individual who strongly supported the measure due to her experiences with personnel involved with the administration of the Aid to Families with Dependent Children program. This individual testified that she was not fully informed of the "good cause" exception during the early stages of the application process and, when she finally was informed of the exception, she was lead to believe that the only evidence of "good cause" which the Department would accept would be statements of medical or law enforcement personnel indicating possible infliction of harm.

After consideration of the testimony submitted by the Department summarizing its position that a policy review would not facilitate program administration, your Committee still believes that a review by the Department of its own policy would be helpful, as the review would pinpoint problem areas which might otherwise go unnoticed. And while your Committee is aware that the Department is doing an exemplary job, and has promulgated the necessary administrative rules which apparently accomplish its goals of awarding child support where needed, it ap-

pears that some misunderstanding still exists on the part of certain Department clientele. Your Committee therefore feels that an overall review would provide an opportunity for the Department to evaluate staff services to Departmental clients, and reinforce the importance and necessity of maintaining staff sensitivity and objectivity when dealing with all clients. Moreover, periodic discussions of Departmental procedures is always useful in promoting the dissemination of uniform information throughout the Department.

In conclusion, your Committee hopes that the Department will carefully study the possibility of relaxing some of its current requirements in an effort to further protect those custodial parents who might otherwise face the possibility of emotional or physical harm to themselves, their child, or to their child's caretaker relative. Specifically, your Committee would like the Department to reevaluate its requirements of corroborative evidence.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 220 and recommends its adoption.

Signed by all members of the Committee except Representative Kiyabu.

SCRep. 1055-86 Human Services on H.C.R. No. 142

The purpose of this concurrent resolution is to request a review by the Department of Social Services and Housing (Department) of its policy of permitting "good cause" exceptions to the requirement of client cooperation in the establishment of paternity for child support eligibility. At the present time, "good cause" under federal regulations and State rules exists when the attempts to establish paternity or obtain child support may result, or actually results, in emotional or physical harm to the child, custodial parent, or caretaker relative.

Your Committee received testimony from an individual who strongly supported the measure due to her experiences with personnel involved with the administration of the Aid to Families with Dependent Children program. This individual testified that she was not fully informed of the "good cause" exception during the early stages of the application process and, when she finally was informed of the exception, she was lead to believe that the only evidence of "good cause" which the Department would accept would be statements of medical or law enforcement personnel indicating possible infliction of harm.

After consideration of the testimony submitted by the Department summarizing its position that a policy review would not facilitate program administration, your Committee still believes that a review by the Department of its own policy would be helpful, as the review would pinpoint problem areas which might otherwise go unnoticed. And while your Committee is aware that the Department is doing an exemplary job, and has promulgated the necessary administrative rules which apparently accomplish its goals of awarding child support where needed, it appears that some misunderstanding still exists on the part of certain Department clientele. Your Committee therefore feels that an overall review would provide an opportunity for the Department to evaluate staff services to Departmental clients, and reinforce the importance and necessity of maintaining staff sensitivity and objectivity when dealing with all clients. Moreover, periodic discussions of Departmental procedures is always useful in promoting the dissemination of uniform information throughout the Department.

In conclusion, your Committee hopes that the Department will carefully study the possibility of relaxing some of its current requirements in an effort to further protect those custodial parents who might otherwise face the possibility of emotional or physical harm to themselves, their child, or to their child's caretaker relative. Specifically, your Committee would like the Department to reevaluate its requirements of corroborative evidence.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 142 and recommends its adoption.

Signed by all members of the Committee except Representative Kiyabu.

SCRep. 1056-86 Transportation on H.R. No. 203

The purpose of this resolution is to request the Hawaii Congressional delegation

to take some action to restore the number of staff members at Immigration and Customs in Honolulu to at least the same level as in 1980 and to require the federal inspection services to streamline inspection procedures in order to effectively utilize available manpower.

Your Committee finds that despite repeated requests by the State Department of Transportation, the number of inspectors has steadily declined since 1980, while international air traffic has steadily increased resulting in an estimated 600 flights being detained for up to 90 minutes in 1985. Testimony was received from the Department of Transportation and the Honolulu Airlines Committee supporting the resolution, to obtain additional support staff for customs and immigration at Honolulu International Airport.

Your Committee has amended the fifth paragraph on page 1 of the resolution to read as follows:

"WHEREAS, numerous requests to the federal authorities for increased staff at Honolulu have not resulted in any significant increase; and".

Your Committee has also amended the resolution by adding a new paragraph after the fifth paragraph on page 1 as follows:

"WHEREAS, the Gramm-Rudman-Hollings Act may result in further cuts in federal inspectors; and".

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 203, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 203, H.D. 1.

Signed by all members of the Committee.

SCRep. 1057-86 Transportation on H.C.R. No. 129

The purpose of this concurrent resolution is to request the Hawaii Congressional delegation to take some action to restore the number of staff members at Immigration and Customs in Honolulu to at least the same level as in 1980 and to require the federal inspection services to streamline inspection procedures in order to effectively utilize available manpower.

Your Committee finds that despite repeated requests by the State Department of Transportation, the number of inspectors has steadily declined since 1980, while international air traffic has steadily increased resulting in an estimated 600 flights being detained for up to 90 minutes in 1985. Testimony was received from the Department of Transportation and the Honolulu Airlines Committee supporting the concurrent resolution, to obtain additional support staff for customs and immigration at Honolulu International Airport.

Your Committee has amended the fifth paragraph on page 1 of the concurrent resolution to read as follows:

"WHEREAS, numerous requests to the federal authorities for increased staff at Honolulu have not resulted in any significant increase; and".

Your Committee has also amended the concurrent resolution by adding a new paragraph after the fifth paragraph on page 1 as follows:

"WHEREAS, the Gramm-Rudman-Hollings Act may result in further cuts in federal inspectors; and".

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 129, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 129, H.D. 1.

Signed by all members of the Committee.

SCRep. 1058-86 Transportation on H.R. No. 241

The purpose of this resolution is to request the State Department of Transportation to accelerate the design and construction of the Waipio Interchange at

Mililani Cemetery Road to alleviate traffic congestion on Kamehameha Highway.

Testimony received from the Department of Transportation and Castle & Cooke, Inc. supported the intent of the resolution. Testimony indicated the Department of Transportation is committed towards implementing the proposed Waipio Interchange at the earliest possible date. Further testimony indicated land for the interchange and funding for the State's matching portion for construction under the Federal-aid Facilities Acceleration thru Special Techniques (FAST) has been donated by Castle & Cooke, Inc. Similar requests to Gentry Development have been made by the Department of Transportation. Completion of the final design under the FAST program and obligation of Federal funds is targeted for September 1986. If the Department of Transportation is successful in completing the designs and obtaining the State's matching funds for construction from Gentry Development, construction will follow shortly thereafter and be completed by the end of 1987 to coincide with the completion of the Dole Cannery.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 241 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1059-86 Transportation on H.C.R. No. 164

The purpose of this concurrent resolution is to request the State Department of Transportation to accelerate the design and construction of the Waipio Interchange at Mililani Cemetery Road to alleviate traffic congestion on Kamehameha Highway.

Testimony received from the Department of Transportation and Castle & Cooke, Inc. supported the intent of the concurrent resolution. Testimony indicated the Department of Transportation is committed towards implementing the proposed Waipio Interchange at the earliest possible date. Further testimony indicated land for the interchange and funding for the State's matching portion for construction under the Federal-aid Facilities Acceleration thru Special Techniques (FAST) has been donated by Castle & Cooke, Inc. Similar requests to Gentry Development have been made by the Department of Transportation. Completion of the final design under the FAST program and obligation of Federal funds is targeted for September 1986. If the Department of Transportation is successful in completing the designs and obtaining the State's matching funds for construction from Gentry Development, construction will follow shortly thereafter and be completed by the end of 1987 to coincide with the completion of the Dole Cannery.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 164 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1060-86 Education on H.R. No. 295

The purpose of this resolution is to request the Department of Education to study the feasibility of developing the curriculum that will educate students about and motivate achievement in the aerospace field.

Your Committee heard testimony from the Department of Education. The Department fully concurs with the intent of the resolution. The Department's science program currently includes the study of aerospace concepts beginning in the elementary grades through intermediate school and into the high school where courses entitled Aerospace I and Aerospace II are offered.

Your Committee has amended the title of the resolution to read: "REQUESTING THE DEPARTMENT OF EDUCATION TO REPORT ON THE STATUS OF THE AEROSPACE EDUCATION PROGRAM". Your Committee has further amended the resolution to specify that the Department of Education, as an enrichment of the basic science courses, is requested to report on the status of our efforts to educate students about and motivate achievement in the aerospace field.

Your Committee on Education concurs with the intent and purpose of H.R. No. 295, as amended herein, and recommends that it be adopted in the form attached hereto as H.R. No. 295, H.D. 1.

Signed by all members of the Committee.

SCRep. 1061-86 Education on H.R. No. 311

The purpose of this resolution is to commend Senators Inouye and Matsunaga for their recognition and support of the educational needs of Hawaiian youngsters, demonstrated by their introduction of U.S. Senate Bill No. 121. This resolution urges the government of the State of Hawaii and the President of the Association of Hawaiian Civic Clubs, on behalf of the House of Delegates of the 16th Annual Convention of the Association, to communicate its support of U.S. Senate Bill No. 121 to the Committee on Labor and Human Services.

Your Committee agrees that U.S. Senate Bill No. 121 - the "Native American Gifted and Talented Education Assistance Act of 1985" will provide the financial means "to address the specific needs of gifted and talented elementary and secondary school students," and specifically, Native Hawaiian students.

Your Committee finds that such educational stimulation will assist in identifying, nurturing, and servicing a greater number of native Hawaiian children, and thus, provide a critical mass from which the leaders of tomorrow could emerge.

Your Committee on Education concurs with the intent and purpose of H.R. No. 311 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1062-86 Education and Higher Education and the Arts on H.R. No. 307

The purpose of this resolution is to urge the Superintendent of Education to consult with the Dean of the School of Education, University of Hawaii, to develop programs to encourage students from rural areas of our State to undertake teacher training. In addition, the Superintendent is urged to intensify efforts and develop programs to improve retention of experienced teachers in such schools.

Your Committees find that recruitment and retention of qualified and experienced teachers in rural area schools are of critical importance in the effort to provide quality public education for the children of our State.

Your Committees received testimony in favor of this resolution from the University of Hawaii and the Department of Education.

Your Committees on Education and Higher Education and the Arts concur with the intent and purpose of H.R. No. 307 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1063-86 Higher Education and the Arts and Education on H.R. No. 300

As indicated in the title of this measure, the purpose of this resolution is to request a study of methods for the promotion of collaboration in order to facilitate educational decision-making.

Your Committees received testimony in support of the resolution from the Director of Student Services at the University of Hawaii College of Education.

Your Committees find that the Teacher Education Coordinating Committee does bring together the Department of Education and institutions of higher education for purposes of coordinating teacher training programs. Testimony indicated that the Committee could develop and propose strategies for further cooperation among the Department of Education and the University.

The Superintendent of the Department of Education cited several examples of collaborative effort between the University and the Department of Education, and asserted that close collaboration already exists.

Your Committees on Higher Education and the Arts and Education concur with

the intent and purpose of H.R. No. 300, and recommend its adoption.

Signed by all members of the Committees except Representatives Graulty, D. Ige, Nakasato and Cavasso.

SCRep. 1064-86 Higher Education and the Arts on H.R. No. 248

The purpose of this resolution is to strongly support the University of Hawaii Institute for Astronomy in its attempts to attract the National New Technology Telescope to the Mauna Kea site on the island of Hawaii.

Your Committee finds that radical advances in technology have made it feasible to build much larger telescopes than any now in existence. Worldwide, astronomers have plans to build up to ten of these giant new technology telescopes. The first of these, the Keck Ten-Meter Telescope, is already under construction on Mauna Kea, and Japanese astronomers have proposed a 7.5 - meter telescope, also to be built on Mauna Kea. To put this into perspective, the proposed Japanese telescope would provide more mirror collecting area than the six telescopes currently in operation on Mauna Kea and the Keck Telescope will again double this area.

However, the premier facility for ground-based optical and infrared astronomy well into the next century would be the National New Technology Telescope (NNTT)--a national facility available to all U.S. astronomers--having a collecting area equivalent to that of a 15-meter (600-inch) diameter mirror. The NNTT is currently in line as the National Science Foundation's next major astronomy initiative after the Very Long Baseline Array Radio Telescope network is completed early in the 1990s.

Observing conditions on Hawaii's Mauna Kea are currently accepted by the majority of astronomers to be clearly superior to those at any other known site for optical and infrared astronomy. Siting of the NNTT on Mauna Kea would thus greatly enhance its capability and allow it to achieve its utmost potential. Mauna Kea also offers a developed and mature support infrastructure, i.e., adequate and reliable power and communications; safe, adequate road access; and hospitable accommodations for observers and observatory staff. Siting of the NNTT on Mauna Kea would allow its users to join and interact with the international community of astronomers already taking advantage of the site, and would allow Hawaii astronomers an even broader base for scientific interchange.

Given all of these circumstances, the House Committee on Higher Education believes the siting of the NNTT on Mauna Kea to be in the best interests of the State, the nation and the astronomers who will eventually use it to probe the secrets of the universe, and wishes to go on record to express its strongest support for the efforts of UH through its Institute for Astronomy to attract the NNTT to Mauna Kea. The current legislative session has provided tangible evidence of such support by moving ahead with funding for the paving of the access road from Hale Pohaku to the summit. The Committee urges that other efforts to attract the NNTT to Mauna Kea be adequately supported within the Institute for Astronomy, pledges legislative support for such efforts, and looks forward with eager anticipation to the opening of this new window on the universe on Mauna Kea.

Your Committee has made a technical, nonsubstantive amendment to its title by changing the word "their" to "its."

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 248, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 248, H.D. 1.

Signed by all members of the Committee except Representatives Graulty, D. Ige, Nakasato and Shon.

SCRep. 1065-86 Higher Education and the Arts on S.C.R. No. 41

The purpose of this concurrent resolution is to request the creation of a blue ribbon committee for the purpose of recommending the most appropriate site for the King Kalakaua Statue.

indefinitely. Such action, if carried out, would effectively kill the project.

Your Committee finds that the timely completion of this project would not only help reduce the State's dependence on imported fuel oil, it would also complete the federal government's efforts to develop a viable wind technology.

Upon further consideration, your Committee has amended this resolution to clarify that it is Hawaiian Electric Industries that has a contract to purchase the MOD-5B wind turbine from the federal government and not the reverse situation (third WHEREAS clause, page two).

Your Committee has further amended this resolution to correct technical drafting errors.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 250, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 250, H.D. 1.

Signed by all members of the Committee.

SCRep. 1068-86 Planning, Energy and Environmental Protection on H.R. No.
191

The purpose of this Resolution is to request the Department of Health to maintain environmentally sound air quality standards and air pollution rules.

Your Committee finds that the high quality of the State's air is desirable not only for the maintenance and protection of the public's health but also because of its essential role in Hawaii's unique and beautiful environment which is so important to our State's economy. Existing air monitoring data indicate that Hawaii's air quality is significantly better than most areas on the mainland and that with only a few exceptions, ambient air quality throughout the State is better than current stringent air quality standards. Currently, the Department of Health is in the process of revising State air rules and standards. In this regard, your Committee wishes to encourage the adoption of environmentally sound rules and standards.

Your Committee received testimony from the American Lung Association in support of this Resolution. Included in the Association's testimony were suggestions to clarify the intent and purpose of this Resolution. Accordingly, your Committee has amended this Resolution by incorporating these suggestions. Your Committee finds that these amendments will provide the Department of Health with practical guidelines to maintain ambient air quality at levels better than present national ambient air quality standards.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 191, as amended herein, and recommends that it be adopted in the form attached hereto as H.R. No. 191, H.D. 1.

Signed by all members of the Committee.

SCRep. 1069-86 Ocean and Marine Resources and Agriculture on H.R. No. 245

The purpose of this resolution is to commend the United States Department of Agriculture and the Agricultural Research Service on their continued support of aquaculture development.

Your Committees received testimony in support of this measure.

Your Committees on Ocean and Marine Resources and Agriculture concur with the intent and purpose of H.R. No. 245 and recommends its adoption.

Signed by all members of the Committees.

SCRep. 1070-86 Ocean and Marine Resources and Agriculture on H.C.R. No.
166

The purpose of this concurrent resolution is to commend the United States

Department of Agriculture and the Agricultural Research Service on their continued support of aquaculture development.

Your Committees received testimony in support of this measure.

Your Committees on Ocean and Marine Resources and Agriculture concur with the intent and purpose of H.C.R. No. 166 and recommends its adoption.

Signed by all members of the Committees.

SCRep. 1071-86 Ocean and Marine Resources on H.R. No. 321

The purpose of this resolution is to request the Chairperson of the Board of Land and Natural Resources and the Director of the Department of Planning and Economic Development to confer with the appropriate federal agency representatives to correct the inconsistency between Federal and State regulations on harvesting spiny lobsters in the Northwestern Hawaiian Islands, and to report all findings to the legislature twenty days prior to the convening of the Regular Session of 1987.

Your Committee finds that present Federal and State regulations on harvesting spiny lobsters within the Federal Fishery Conservation Zone and State waters in the Northwestern Hawaiian Islands are not identical, rendering management of this resource difficult.

Mr. Susumo Ono, Chairperson of the Board of Land and Natural Resources, recognizing the importance of facilitating management and enforcement of this fishery resource, testified in support of this resolution.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 321 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1072-86 Ocean and Marine Resources on H.R. No. 287

The purpose of this resolution is to urge a concerted effort to maintain the Federal budget appropriation for the United States Coast Guard in the State of Hawaii.

Your Committee finds that the Coast Guard's area of responsibility has expanded considerably since 1983 when the U.S. expanded its exclusive economic zone (EEZ). Additionally, Hawaii relies on support from the Coast Guard in ocean-related crisis situations. Based on these two critical areas of need, any reduction of the Coast Guard's budget will render their effectiveness in these Hawaiian waters impotent.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 287 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1073-86 Ocean and Marine Resources on H.C.R. No. 189

The purpose of this concurrent resolution is to urge a concerted effort to maintain the Federal budget appropriation for the United States Coast Guard in the State of Hawaii.

Your Committee finds that the Coast Guard's area of responsibility has expanded considerably since 1983 when the U.S. expanded its exclusive economic zone (EEZ). Additionally, Hawaii relies on support from the Coast Guard in ocean-related crisis situations. Based on these two critical areas of need, any reduction of the Coast Guard's budget will render their effectiveness in these Hawaiian waters impotent.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 189 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1074-86 Ocean and Marine Resources on H.R. No. 256

The purpose of this resolution is to commend the United States Department of Agriculture and the Cooperative State Research Service, for their efforts to develop the Marine Shrimp Industry.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 256 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1075-86 Ocean and Marine Resources on H.C.R. No. 173

The purpose of this concurrent resolution is to commend the United States Department of Agriculture and the Cooperative State Research Service, for their efforts to develop the Marine Shrimp Industry.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 173 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1076-86 Legislative Management on H.C.R. No. 208

The purpose of this concurrent resolution is to request the President of the State Senate and the Speaker of the House of Representatives to appoint five members each from their respective houses to form a Special Interim Committee to select a site for a convention center.

While it is widely recognized that a convention center would benefit Hawaii by meeting the increasing demand of professional associations for attractive and sophisticated conference center facilities and trade show space, the recommendations for a site for such facilities have caused considerable disagreement.

Your Committee feels that it is important at this time to thoroughly review the advantages and disadvantages associated with each suggested site, and the various site selection reports and studies previously submitted for legislative consideration, and is in agreement with the findings and recommendations of the House Committee on Tourism.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 208, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1077-86 Legislative Management on H.C.R. No. 172

The purpose of this concurrent resolution is to request the Speaker of the House and the President of the Senate to execute a contract with the National Conference of State Legislatures for a review of Hawaii's legislative staffing system to determine whether the overall organization of employees, and the system of providing compensation and benefits for these employees, are comparable to the legislative staffing systems of other states.

Your Committee believes that such a study is needed at this time to assist the Legislature in its identification of its human resource needs. As the workload expands and the abilities and sophistication of the people and tools available to collect data, coordinate information, assess alternatives, and provide support to the legislators for decision-making become more complex, a reassessment of staffing is critically necessary.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 172 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1078-86 Judiciary on S.B. No. 291

The purpose of this bill is to amend the adoption statute to permit adoption of unrelated adults.

Presently, the law permits the adoption of a minor child or of an adult who is a niece, nephew, or stepchild of one of the adopting parents.

Your Committee heard testimony in support of the bill from Senator Neil Abercrombie, Michi Kodama-Nishimoto, Warren Nishimoto, Agnes Cope, A. Peter Howell, Charles Lotsof, A. William Barlow, Ellen Colburn-Rohn, and Richard Greer in support of the bill. The Family Court, First Circuit testified that it took no position on the bill.

Your Committee finds that in the Hawaiian and Japanese cultures it is a common and acceptable practice to adopt another adult. In the Japanese culture, the practice is to usually adopt an adult male into one's family. In most cases, the adoptive family has no natural born sons. The adoptive son will usually marry a daughter of the adoptive family and assume his wife's surname to carry on the adoptive family's name as well as become an heir. In the Hawaiian culture, "hanai" or adoption was a common practice and it served to strengthen the social fabric and interfamilial ties.

Your Committee also finds that this bill will bring our law into conformity with the Uniform Adoption Act, as amended and with numerous other state statutes which permit adult adoption.

Some concern was expressed that the proposed amendment could lead to abuse, such as in a situation where the adopted person is retarded or mentally unstable and the adoptive parent is trying to take advantage of the adoptee because of the disability. The Family Court testified that before an adoption decree is entered, there are several factors the court will consider and among the factors is that the adoption is in the best interest of the individual. In addition, the Family Court testified that the primary concern of the court is to create a parent-child relationship and this will not change with this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 291 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1079-86 Ocean and Marine Resources on S.C.R. No. 148

The purpose of this concurrent resolution is to request the Division of Aquatic Resources of the Department of Land and Natural Resources: to conduct a survey to evaluate the economic benefits accruing from the recreational and commercial components of native Hawaiian stream fauna fisheries; to establish regulations necessary to conserve these fisheries resources; and to adopt rules designating certain of these fisheries as strictly recreational if such designation would enhance the prospect of achieving optimum, sustainable yield.

Your Committee finds that native Hawaiian stream fauna are primarily endemic to Hawaii and are therefore biologically and ecologically significant. Native Hawaiian stream fauna are also of historical, cultural, and economic significance to the people and the State of Hawaii.

Your Committee further finds that the relative abundance of native Hawaiian stream fauna has decreased over the last twenty years, and has been associated with habitat degradation, particularly the diversion of water from streams. Your Committee also finds that in order to conserve threatened resources and to provide the greatest benefits to the majority of users, fish and wildlife managers nationwide have restricted the taking of certain species to recreational users only.

Your Committee is in agreement that a survey of native Hawaiian stream fauna, as requested by this concurrent resolution, will aid in making fisheries management decisions that will conserve fisheries resources and provide optimum benefits to the majority of users.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of S.C.R. No. 148 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1080-86 Planning, Energy and Environmental Protection on S.C.R. No. 72

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study imposing an assessment on all new motor oil sold in Hawaii for the purpose of utilizing the assessment as a subsidy to encourage the use of used motor oil as a fuel or for electrical generation. This concurrent resolution further requests that the study also assess any other means of disposing or recycling used motor oil, outlining the advantages and disadvantages of each proposal.

Your Committee finds that less than two years ago, gasoline dealers were receiving payment for used motor oil. Presently, however, the situation has reversed and it is the dealers who must pay disposal costs per gallon plus a pickup charge to have their waste oil disposed of through the only approved transporter firm.

Many service stations have refrained from accepting used oil from the do-it-yourself consumer because of the service problem and cost of disposing of used oil, causing the consumer to consider disposing the oil on his own, circumventing the legal procedure for waste oil disposal to avoid the costs and inconvenience.

Currently a proposal to construct a used oil re-refinery capable of turning used motor oil into a fuel oil suitable to use as a boiler fuel, bunker fuel, or for electrical generation is in the planning stages. However, some type of controls or incentive must also be established to provide a meaningful control system.

This concurrent resolution will provide the means to acquire the necessary information to develop a control system to complement the used oil re-refinery, to utilize our disposal resources for energy generation.

Upon further consideration, your Committee has amended this measure to correct a grammatical error in the first BE IT FURTHER RESOLVED clause by replacing the word "approval" with "proposal".

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of S.C.R. No. 72, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 72, H.D. 1.

Signed by all members of the Committee.

SCRep. 1081-86 Judiciary on H.R. No. 225

The purpose of this resolution is to request that October 24, the anniversary of the adoption of the United Nations Charter, be commemorated as World Peace With Justice Day.

Your Committee received written testimony from the University of Hawaii and Mr. Guy Yates in support of this resolution. Your Committee finds that it would be fitting to establish a day, on which to reflect on World Peace, in the United Nations International Year of Peace.

Your Committee on Judiciary is in accord with the intent and purpose of H.R. No. 225 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1082-86 Judiciary on H.R. No. 230

The purpose of this resolution is to support the goals and objectives of the United Nations Decade For Women.

Your Committee received inspirational testimony from Representative Donna Ikeda in support of this resolution. Your Committee finds that the Decade For Women began in 1975 with a conference held in Mexico, and commenced in 1985 with a conference in Nairobi, Kenya. Furthermore, at this conference the Forward Looking Strategies for the Advancement of Women was prepared and adopted by the conferees. Additionally, this document was endorsed and affirmed by the United Nations. Your Committee further finds that there should be support of this document at all levels of government.

Your Committee on Judiciary is in accord with the intent and purpose of H.R. No. 230 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1083-86 Judiciary on H.R. No. 243

The purpose of this resolution is to request the cooperative efforts of the public and private sector to work together in reviewing and suggesting amendments to Hawaii's laws relating to the distribution of pornographic material.

At the present time, there is confusion among store owners and the public as to the interpretation of the pornography laws. Your Committee believes that the protection of the general public is very important. The dissemination of pornographic materials is a crime under our penal code. However, the recent prosecution of video store clerks created a chilling effect on the businesses of video dealers.

Your Committee received testimony in favor of this resolution from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee believes that, with a cooperative effort between the private and public sector, Hawaii's pornography laws may be closely reviewed. If there is evidence that amendments should be made, legislation may be formulated to meet the concerns of all interested parties.

Your Committee on Judiciary is in accord with the intent and purpose of H.R. No. 225 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1084-86 Judiciary on H.R. No. 193 (Majority)

The purpose of this resolution is to request all candidates for elective office to refrain from curbside sign waving.

Currently, there is no statute that restricts this method of campaigning since it may be an infringement of the constitutional guarantee of the right to free speech.

Your Committee finds that drivers on our roads and freeways are distracted by candidates sign waving. This creates a dangerous situation for motorist and pedestrians, especially on our crowded thoroughfares. Sign waving generally occurs at peak traffic hours when the roads are already congested and motorist must be especially alert and careful.

Your Committee received testimony from the Department of Transportation in support of the intent of this resolution.

It was felt by your Committee that if candidates voluntarily refrain from sign waving, the roads will be safer for everyone and serious accidents will be averted.

Your Committee amended this resolution to provide that a copy be transmitted to the Lieutenant Governor of the State of Hawaii.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 193 and recommends its adoption in the form attached hereto as H.R. No. 193, H.D. 1.

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

SCRep. 1085-86 Ocean and Marine Resources on S.C.R. No. 158

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources and the University of Hawaii Sea Grant Program to study the impact of regulating recreational salt-water shoreline fishing through licensing and instituting catch limits.

Under current law, commercial fishermen must be licensed and file monthly fish catch reports with the Department, and only such licensees are allowed to sell their catches. However, recreational fishermen are rapidly depleting Hawaii's shoreline marine life because they are unregulated and may legally take as many fish as they can. Other states have enacted strict licensing, and your Committee believes that such regulation may be needed to protect Hawaii's marine resources, but before such a step is taken it is incumbent upon the State to first monitor recreational fishing areas and practices and gather stock assessment data to ensure that regulation, if initiated, is necessary and would be effective.

Your Committee finds that the Sea Grant College Program at the University of Hawaii supports this proposal and is willing to provide much of the expertise needed to complete the study. Therefore, your Committee believes this project to be feasible and appropriate to further state and legislative objectives relating to the protection of our shoreline marine resources.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of S.C.R. No. 158 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1086-86 Ocean and Marine Resources on S.C.R. No. 150

The purpose of this concurrent resolution is to request the Division of Aquatic Resources of the Department of Land and Natural Resources to conduct a study of their current gillnet mesh-size regulations and revise such regulations to provide that these nets will capture fish that have reached reproductive capability and allow smaller, prereproductive fish to evade being caught.

Your Committee finds that the use of gillnets is generally non-selective as to the species of fish caught in the net, and thus it is impractical to establish mesh-size regulations on a species specific basis. Additionally, pursuant to Act 253, Session Laws of Hawaii 1985, gillnet mesh-size restrictions were increased from one and one-half inches to two inches to protect prereproductive fish from being taken.

Your Committee further finds that while efforts have been made to protect prereproductive fish, the Department should study the situation to ascertain whether further actions relative to restrictions on gillnet mesh-size and the taking of prereproductive fish are warranted.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of S.C.R. No. 150, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1087-86 Ocean and Marine Resources on S.C.R. No. 147

The purpose of this concurrent resolution is to request the Division of Aquatic Resources of the Department of Land and Natural Resources to adopt rules regarding use of Fish Aggregation Devices (FAD); to conduct studies to identify the social and economic importance of the recreational and commercial components of the fishing industry; after analyzing data from these studies, to consider designating certain fisheries resources as recreational only; to reexamine current methods of licensing commercial and recreational fishermen; and to develop and distribute informational pamphlets or conduct mandatory education sessions to inform all licensees about current fishing regulations.

Your Committee finds that conflicts have been occurring at the sites of the various Hawaii State Sport Fishing Project FADs, primarily between large-scale

commercial aku fishermen using live bait and smaller-scale commercial and recreational fishermen using jigs, lures, and dead bait.

In order to make fisheries management decisions that will contribute to resolving these conflicts, more information on the commercial and recreational fishing industries and the various fisheries resources available in the State is needed. Such information would include numbers of fishermen; types, sizes, and numbers of fish caught; types of fishing gear and methods used; frequency of fishing trips; and expenditures per each fishing trip.

Your Committee is in agreement that the studies and other informational activities requested by this concurrent resolution will aid in making fisheries management decisions that will conserve fishery stock as well as provide the greatest benefit to the majority of those who use these resources.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of S.C.R. No. 147 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1088-86 Higher Education and the Arts on S.C.R. No. 41

The purpose of this concurrent resolution is to request the creation of a blue ribbon committee for the purpose of recommending the most appropriate site for the King Kalakaua Statue.

Your Committee finds that the Iolani Palace grounds clearly constitutes the best location for this memorial to the last King of Hawaii.

However, it is unclear as to where on the grounds the statue should be located. Your Committee has therefore amended the body and the title of S.C.R. No. 41 to redirect the efforts of the blue ribbon committee.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of S.C.R. No. 41, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 41, H.D.1.

Signed by all members of the Committee except Representatives Lindsey, Nakasato, Say and Yoshimura.

SCRep. 1089-86 Higher Education and the Arts on H.C.R. No. 168

The purpose of this concurrent resolution is to strongly support the University of Hawaii Institute for Astronomy in its attempts to attract the National New Technology Telescope to the Mauna Kea site on the island of Hawaii.

Your Committee finds that radical advances in technology have made it feasible to build much larger telescopes than any now in existence. Worldwide, astronomers have plans to build up to ten of these giant new technology telescopes. The first of these, the Keck Ten-Meter Telescope, is already under construction on Mauna Kea, and Japanese astronomers have proposed a 7.5 - meter telescope, also to be built on Mauna Kea. To put this into perspective, the proposed Japanese telescope would provide more mirror collecting area than the six telescopes currently in operation on Mauna Kea and the Keck Telescope will again double this area.

However, the premier facility for ground-based optical and infrared astronomy well into the next century would be the National New Technology Telescope (NNTT)--a national facility available to all U.S. astronomers--having a collecting area equivalent to that of a 15-meter (600-inch) diameter mirror. The NNTT is currently in line as the National Science Foundation's next major astronomy initiative after the Very Long Baseline Array Radio Telescope network is completed early in the 1990s.

Observing conditions on Hawaii's Mauna Kea are currently accepted by the majority of astronomers to be clearly superior to those at any other known site for optical and infrared astronomy. Siting of the NNTT on Mauna Kea would thus greatly enhance its capability and allow it to achieve its utmost potential. Mauna

Kea also offers a developed and mature support infrastructure, i.e., adequate and reliable power and communications; safe, adequate road access; and hospitable accommodations for observers and observatory staff. Siting of the NNTT on Mauna Kea would allow its users to join and interact with the international community of astronomers already taking advantage of the site, and would allow Hawaii astronomers an even broader base for scientific interchange.

Given all of these circumstances, the House Committee on Higher Education believes the siting of the NNTT on Mauna Kea to be in the best interests of the State, the nation and the astronomers who will eventually use it to probe the secrets of the universe, and wishes to go on record to express its strongest support for the efforts of UH through its Institute for Astronomy to attract the NNTT to Mauna Kea. The current legislative session has provided tangible evidence of such support by moving ahead with funding for the paving of the access road from Hale Pohaku to the summit. The Committee urges that other efforts to attract the NNTT to Mauna Kea be adequately supported within the Institute for Astronomy, pledges legislative support for such efforts, and looks forward with eager anticipation to the opening of this new window on the universe on Mauna Kea.

Your Committee has made a technical, nonsubstantive amendment to the title by changing the word "their" to "its."

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.C.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 168, H.D. 1.

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

SCRep. 1090-86 Public Employment and Government Operations on S.C.R. No.
53

The purpose of this concurrent resolution is to provide legislative approval, as required under Chapter 77, Hawaii Revised Statutes, of the compensation plans developed by the Public Employees Compensation Appeals Board (PECAB) and the costs related to its implementation on July 1, 1986.

Representatives from the Department of Personnel Services (DPS) and the Hawaii Government Employees Association (HGEA) submitted testimony in support of this concurrent resolution. DPS testified that the white collar and blue collar compensation plans, developed on a biennial basis, represent the findings and recommendations of the Conference of Personnel Directors and PECAB.

Although HGEA testified that they did not agree with all the findings and recommendations, HGEA urged favorable legislative action on the reports, citing the ample opportunity they had to express their position and rationale before PECAB.

Your Committee finds that a total of 71 individual and group appeals were heard by PECAB on 52 white and blue collar classes. Only four appeals affecting seven classes within the State's jurisdiction were actually approved. The pricing actions by PECAB involve several large class series within the DSSH. It will cost the State \$1.58 million to implement the compensation plans, of which \$1.375 million is needed to fund DSSH pay adjustments.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of S.C.R. No. 53 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1091-86 Employment Opportunities and Labor Relations on S.C.R. No.
113

The purpose of this concurrent resolution is to request that the Federal General Services Administration study the alleged unequal treatment and unfair practices of mainland contractors in obtaining federal public works contracts at military bases in Hawaii.

Allegations that mainland contractors have not provided workers' compensation coverage for their employees, have not paid the state general excise tax, and that the military has shipped material to Hawaii and provided warehousing facilities on military property for mainland contractors, while not providing similar considerations to local vendors and contractors if found to be true, does provide unequal treatment and unfair practices that contributes to unfair advantages in the bidding process for public works contracts at military bases in Hawaii.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of S.C.R. No. 113, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Menor, Nakasato, Onouye and Hemmings.

SCRep. 1092-86 Human Services on H.R. No. 147

The purpose of the resolution is to encourage the development of a system of integrated services in child abuse and neglect and person abuse.

Your Committee finds that current services in this problem area span many agencies and departments of state government. Efforts in this area are, therefore, by its nature and design, compartmentalized. While resources are constantly being provided, your Committee believes that there is now a need to cut across jurisdictional lines and consolidate efforts, where feasible, in order to more effectively and efficiently expend state resources in this area.

Your Committee believes that the multiplicity of efforts in prevention, both primary and secondary, as well as treatment, requires much analysis and broad participation. Your Committee further believes that the convening of a task force under the leadership of the Department of Health will provide the necessary bridge between the recommendations by the Legislative Reference Bureau and implementation of the recommendations deemed feasible and appropriate by the agencies involved.

Your Committee believes that, to be truly effective, the task force must have broad participation and should include representatives from the Department of Social Services and Housing, Department of Health, Department of Education, law enforcement, family courts, Public Defender's Offices, the offices of the Prosecuting Attorneys, crisis intervention services, individual and family counseling services, private providers of services in this area, the Office of Children and Youth, appropriate representatives of the military, community groups and related task forces.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 147, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1093-86 Education on H.R. No. 284

The purpose of this resolution is to request the Department of Education to study all library options including a regional library, a community library, and a community school library in Makakilo.

Your Committee received oral testimony in support of this resolution. The oral testimony indicated that anticipated population growth for Makakilo and neighboring communities as well as the Mayor's proposed Waiola Subdivision and the West Beach Community will cause an even greater need and demand for a community library in this area.

Your Committee on Education concurs with the intent and purpose of H.R. No. 284 and recommends its adoption.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 1094-86 Ocean and Marine Resources on H.C.R. No. 139

The purpose of this concurrent resolution is to proclaim the month of July 1986 as the U.S. Merchant Marine Month in Hawaii.

Your Committee finds that the intent of this measure is to recognize the outstanding men and women from Hawaii who served in the U.S. Merchant Marines during World War II.

Your Committee amends the title of this measure to accurately reflect its intent.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 139, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. 139, H.D. 1.

Signed by all members of the Committee.

SCRep. 1095-86 Ocean and Marine Resources on S.C.R. No. 37

The purpose of this concurrent resolution is to support the development of a program for improving the quality of large fresh tuna delivered to domestic and foreign markets.

Your Committee finds that the Department of Land and Natural Resources and the University of Hawaii College of Tropical Agriculture and Human Resources indicates there is a problem with the quality of fresh tuna, known as "burnt tuna syndrome", which results in lower quality and shorter shelf life. The Department and the University have been conducting a study related to the cause of "burnt tuna syndrome" and are developing methods to prevent its occurrence. This program will emphasize the proper handling of fish by fisherman, wholesalers, and shippers.

Your Committee finds that a program for the improvement of the quality of large fresh tuna will result in the recognition of high quality local fish and enhance its marketability.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of S.C.R. No. 37 and recommends its adoption.

Signed by all members of the Committee except Representative Tom.

SCRep. 1096-86 Ocean and Marine Resources on H.R. No. 308

The purpose of this resolution is to request that the Department of Urban and Regional Planning at the University of Hawaii at Manoa, Land and Natural Resources, Hawaiian Home Lands and the Office of Hawaiian Affairs continue its efforts in fulfilling the intent and purpose of H.R. No. 304, H.D. 1 which requests a study on the feasibility of setting aside State Lands for the practice of subsistence lifestyles.

Your Committee finds that these agencies have pursued this effort diligently since 1984. Two reports have thus far been completed which provide, for the first time, an in-depth understanding of subsistence lifestyles. Additional work is required to determine the extent to which such lifestyles might be accommodated on State agencies might have in accommodation subsistence lifestyles.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 308 and recommends its adoption.

Signed by all members of the Committee except Representative Tom.

SCRep. 1097-86 Ocean and Marine Resources and Water, Land Use, Development and Hawaiian Affairs on S.C.R. No. 32

The purpose of this resolution is to request that fish wholesalers and dealers refrain from taking small ahi in an effort to conserve this marine species.

Your Committees find that the Department of Land and Natural Resources is

currently conducting a statewide small ahi tagging operation, to understand the local movements, distribution, and recruitment pattern of ahi. This study will provide information to determine whether small ahi will eventually be recruited as adults into the Hawaiian tuna fishery. Your Committees further find that statutory prohibition of a three pound minimum size for ahi is premature until the results of the study are complete.

Your Committees find that voluntary efforts by commercial fishers to conserve ahi should be supported, especially during periods when large-size ahi are plentiful.

Your Committees on Ocean and Marine Resources and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of S.C.R. No. 32 and recommend its adoption.

Signed by all members of the Committees except Representative Tom.

SCRep. 1098-86 Planning, Energy and Environmental Protection and Water,
Land Use, Development and Hawaiian Affairs on S.C.R. No.
55

The purpose of this concurrent resolution is to request the Natural Energy Laboratory of Hawaii (NELH) and the High Technology Development Corporation to develop a plan for providing a back-up system to the cold seawater system serving their facilities at Keahole Point on the Island of Hawaii.

NELH has attained international recognition as the only site in the world with a continuous supply of deep, cold seawater which can and is being used for Ocean Thermal Energy Conversion (OTEC) and related experiments. Cold seawater has also proven to be especially successful for aquaculture use at NELH and will be a unique and valuable resource at the Hawaii Ocean Science and Technology (HOST) Park being developed at Keahole Point by the High Technology Development Corporation.

Your Committees on Planning, Energy and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of S.C.R. No. 55, S.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1099-86 Planning, Energy and Environmental Protection on S.C.R. No.
23

The purpose of this concurrent resolution is to request the Department of Planning and Economic Development to develop guidelines to improve the permit processing and approval system for geothermal development.

Presently the permitting process is a seemingly endless process of reviews and contested case hearings in several areas and levels of authority over geothermal development.

As set forth in the Hawaii State Plan and the State Energy Functional Plan, "A major goal for the State is to reduce Hawaii's dependency on oil through the use of alternate forms of energy." However, the development of geothermal resources may be deterred because of the complexity of the overall permit processing and approval system.

Your Committee believes it is appropriate to request the State Department of Planning and Economic Development to develop guidelines to improve and expedite the permit and approval process among all federal, state, and county agencies or authorities which the department determines may have jurisdiction over part or all of a proposed project to encourage the development of geothermal resource projects.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of S.C.R. No. 23 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1100-86 Planning, Energy and Environmental Protection on S.C.R. No.
82

The purpose of this concurrent resolution is to urge the United States Congress to support the completion of the Department of Energy's MOD-5B research wind turbine at Kahuku, Hawaii.

The State of Hawaii is extremely dependent on imported oil for more than ninety percent of its energy needs and relies on continued research to develop indigenous alternate energy resources such as geothermal, ocean thermal, solar and wind energy. The MOD-5B research wind turbine project, upon completion, will determine the technical and economic viability of large wind turbines as a means of reducing Hawaii's and our Nation's dependence on renewable fuels.

Your Committee on finds that the termination of the MOD-5B project would mean the loss of years of effort to determine the viability of wind turbine as an alternative to fossil fuel and is contrary to the State Energy Plan's efforts to reduce Hawaii's dependence on imported oil for energy by seeking alternative means of energy self-sufficiency.

Your Committee on Planning, Energy and Environmental Protection concur with the intent and purpose of S.C.R. No. 82 and recommend its adoption.

Signed by all members of the Committee.

SCRep. 1101-86 Planning, Energy and Environmental Protection on S.C.R. No.
63

The purpose of this concurrent resolution is to encourage continued efforts on the part of the State, the counties, and private enterprise to reach declared energy goals for Hawaii, including the promotion and development of the State's geothermal resources, in a manner which is consistent with the maintenance of acceptable environmental standards and which protects the health and safety of the people.

Orderly development of our geothermal resources is consistent with the Hawaii State Plan, which calls for increasing the State's energy self-sufficiency, as well as the development of a "dependable, efficient, and economical statewide energy ... system(s) capable of supporting the needs of the people." Geothermal energy development can make a major contribution toward achieving these objectives.

Your Committee received supporting testimony from the Director of Planning and Economic Development and Hawaiian Electric Company, and finds that support provided to date through state and federal actions has demonstrated both the presence and technical feasibility of geothermal energy in Hawaii, thereby encouraging the private sector to invest over \$20 million toward commercial development.

However, your Committee also finds that geothermal energy in Hawaii has not developed as rapidly as was anticipated for a number of reasons including the decline in world oil prices, organized public opposition, and problems encountered in the regulatory process, although your Committee wishes to point out that technological and long-term economic considerations have not been major factors contributing to the delay. Therefore, your Committee finds that the encouragement of vigorous efforts to develop geothermal resources in a safe yet aggressive manner, as provided by this concurrent resolution, is consistent with declared State policy and with the efforts of the Legislature to provide for the economic well-being and energy self-sufficiency of the people of Hawaii.

Your Committee on Planning, Energy and Environmental Protection concurs with the intent and purpose of S.C.R. No. 63 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1102-86 Planning, Energy and Environmental Protection on S.C.R. No.
22

The purpose of this concurrent resolution is to request the Department of Planning and Economic Development and the University of Hawaii to develop a

program of study for state and county personnel involved with reviewing technical reports and materials submitted by geothermal developers.

The geothermal permit and approval process is a lengthy and complicated one, requiring geothermal developers to contract with engineering, environmental, and operational specialists to provide the engineering, design, operational and environmental impact reports required by the State and county agencies to render a sound decision.

Your Committee finds that the regulatory review process would be expedited if regulatory agency personnel had the technical expertise to objectively evaluate the reports submitted by the developers in support of their proposed projects.

Your Committee Planning, Energy and Environmental Protection concurs with the intent and purpose of S.C.R. No. 22, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1103-86 Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts on H.R. No. 288

The purpose of this resolution is to request the Friends of Iolani Palace, with the support of the Office of Hawaiian Affairs (OHA), to coordinate various activities planned in celebration of the 150th anniversary of King Kalakaua's birth, and to commend the Friends of Iolani Palace for their work in planning for the celebration scheduled during the week of November 16, 1986.

Your Committees find that the Friends of Iolani Palace have been planning the King Kalakaua Jubilee Centennial since April last year. The Friends have already extended an invitation to all Hawaiian groups and organizations, including OHA, to participate in the various events. Your Committees also received testimony from OHA, the King Kalakaua Jubilee Centennial committee, and the Daughters and Sons of the Hawaiian Warriors, all in support of this resolution.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts concur with the intent and purpose of H.R. No. 288 and recommend its adoption.

Signed by all members of the Committees except Representatives Nakasato, Cavasso and Hemmings.

SCRep. 1104-86 Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts on H.C.R. No. 190

The purpose of this concurrent resolution is to request the Friends of Iolani Palace, with the support of the Office of Hawaiian Affairs (OHA), to coordinate various activities planned in celebration of the 150th anniversary of King Kalakaua's birth, and to commend the Friends of Iolani Palace for their work in planning for the celebration scheduled during the week of November 16, 1986.

Your Committees find that the Friends of Iolani Palace have been planning the King Kalakaua Jubilee Centennial since April last year. The Friends have already extended an invitation to all Hawaiian groups and organizations, including OHA, to participate in the various events. Your Committees also received testimony from OHA, the King Kalakaua Jubilee Centennial committee, and the Daughters and Sons of the Hawaiian Warriors, all in support of this concurrent resolution.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts concur with the intent and purpose of H.C.R. No. 190 and recommend its adoption.

Signed by all members of the Committees except Representatives Nakasato, Cavasso and Hemmings.

SCRep. 1105-86 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 294

The purpose of this resolution is to request the Department of Land and

Natural Resources (DLNR) to study the feasibility of acquiring the Hawaiian Electric Company's Honolulu Power Plant site (TMK No. 2-1-14-6) through purchase, condemnation, or exchange so that the entire waterfront development would be enhanced by its acquisition.

Your Committee finds that the subject site contains approximately 3.4 acres of waterfront and that its location is appropriate as potential addition to the Aloha Tower Development project or the proposed Fort Armstrong convention center site. However, your Committee is in agreement that, before the Legislature is able to determine the Power Plant site's most appropriate use, a feasibility study of its acquisition should be conducted.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 294 and recommends its adoption.

Signed by all members of the Committee except Representatives Hagino, Honda, Metcalf and Tajiri.

SCRep. 1106-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 194

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to study the feasibility of acquiring the Hawaiian Electric Company's Honolulu Power Plant site (TMK No. 2-1-14-6) through purchase, condemnation, or exchange so that the entire waterfront development would be enhanced by its acquisition.

Your Committee finds that the subject site contains approximately 3.4 acres of waterfront and that its location is appropriate as potential addition to the Aloha Tower Development project or the proposed Fort Armstrong convention center site. However, your Committee is in agreement that, before the Legislature is able to determine the Power Plant site's most appropriate use, a feasibility study of its acquisition should be conducted.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 194 and recommends its adoption.

Signed by all members of the Committee except Representatives Hagino, Honda, Metcalf, Nakata and Tajiri.

SCRep. 1107-86 Water, Land Use, Development and Hawaiian Affairs on H.R.
No. 309

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) and the Department of Hawaiian Home Lands (DHHL) to give priority to the implementation of an exchange program to facilitate the acquisition of public lands to further the goals and objectives of the programs of the Hawaiian Homes Commission Act, 1920, as amended.

Section 204(3) of the Hawaiian Homes Commission Act, 1920, as amended, authorizes DHHL to engage in land exchanges with the public or private sector. Lands to be exchanged shall be of equal value and all exchanges require the approval of the U.S. Secretary of the Interior. According to testimony by DHHL, the land-exchange process is a valuable mechanism in obtaining public lands which can greatly benefit native Hawaiians and, in part, generate revenues to meet DHHL program expenses. Your Committee also received testimony from DLNR in support of this resolution.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 309 and recommends its adoption.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1108-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 203

The purpose of this concurrent resolution is to request the Department of Land

and Natural Resources (DLNR) and the Department of Hawaiian Home Lands (DHHL) to give priority to the implementation of an exchange program to facilitate the acquisition of public lands to further the goals and objectives of the programs of the Hawaiian Homes Commission Act, 1920, as amended.

Section 204(3) of the Hawaiian Homes Commission Act, 1920, as amended, authorizes DHHL to engage in land exchanges with the public or private sector. Lands to be exchanged shall be of equal value and all exchanges require the approval of the U.S. Secretary of the Interior. According to testimony by DHHL, the land-exchange process is a valuable mechanism in obtaining public lands which can greatly benefit native Hawaiians and, in part, generate revenues to meet DHHL program expenses. Your Committee also received testimony from DLNR in support 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. 203 and recommends its adoption.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1109-86 Water, Land Use, Development and Hawaiian Affairs on H.R.
No. 304

The purpose of this resolution is to request the continuation of the Small Business Administration, a federal agency, and its programs to assist small businesses in Hawaii.

Your Committee finds that the Small Business Administration and its programs have provided the necessary capital, advice, counsel, and other support to help many small businesses in Hawaii. Your Committee is in agreement that recent administrative changes in these federal programs have resulted in seriously adverse and detrimental consequences for the Hawaii-based Office of Small Business Administration and its programs.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 304 and recommends its adoption.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1110-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 199

The purpose of this concurrent resolution is to request the continuation of the Small Business Administration, a federal agency, and its programs to assist small businesses in Hawaii.

Your Committee finds that the Small Business Administration and its programs have provided the necessary capital, advice, counsel, and other support to help many small businesses in Hawaii. Your Committee is in agreement that recent administrative changes in these federal programs have resulted in seriously adverse and detrimental consequences for the Hawaii-based Office of Small Business Administration and its programs.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 199 and recommends its adoption.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1111-86 Water, Land Use, Development and Hawaiian Affairs on H.R.
No. 310

The purpose of this resolution is to urge the four county governments in Hawaii to support the homestead acceleration efforts of the Department of Hawaiian Home Lands (DHHL), by continuing to work closely with the Department to provide building permits and water meters to homestead lessees.

According to testimony by DHHL, the homestead acceleration efforts on unimproved lots being awarded to lessees include improvements in right-of-way access, water systems, waste-water disposal, storm drainage, and provision of electricity and telephone services. County support has already been forthcoming, and your Committee is in agreement that this resolution provides for appropriate legislative support of the on-going working relationships between DHHL and the counties.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 310 and recommends its adoption.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1112-86 Water, Land Use, Development and Hawaiian Affairs on
H.C.R. No. 202

The purpose of this concurrent resolution is to urge the four county governments in Hawaii to support the homestead acceleration efforts of the Department of Hawaiian Home Lands (DHHL), by continuing to work closely with the Department to provide building permits and water meters to homestead lessees.

According to testimony by DHHL, the homestead acceleration efforts on unimproved lots being awarded to lessees include improvements in right-of-way access, water systems, waste-water disposal, storm drainage, and provision of electricity and telephone services. County support has already been forthcoming, and your Committee is in agreement that this concurrent resolution provides for appropriate legislative support of the on-going working relationships between DHHL and the counties.

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.C.R. No. 202 and recommends its adoption.

Signed by all members of the Committee except Representatives Andrews, Crozier, Hagino and Metcalf.

SCRep. 1113-86 Human Services and Higher Education and the Arts on
H.C.R. No. 156

The purpose of this concurrent resolution is to request a study of the feasibility of establishing multi-purpose senior citizen centers on community college campuses including recommendations for implementation, if warranted.

Testimony received in support indicated that these proposed centers would provide the opportunity for greater intellectual stimulation and challenge to our senior citizens, most of whom have high school degrees and a vast wealth of experiences that could be shared with the young in an educational atmosphere. As these centers develop, they would be easily accessible through a college campus where facilities and resources are available and whereby researchers would have the opportunity to monitor and evaluate problems associated with the aging process.

Your Committees also feel that the proposed study is especially timely in light of the reduction of federal financial participation in senior citizen programs and would serve as a basis for examining the present system of senior centers and making recommendations for additional quality programs for our elderly on a statewide basis.

Your Committees on Human Services and Higher Education and the Arts concur with the intent and purpose of H.C.R. No. 156, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Representatives Hirono, Nakasato, Say, Shito, Cavasso and Liu.