

SCRep. 390 Judiciary on H.B. No. 630

The purpose of this bill is to streamline and update present statutory provisions relating to elections by amending chapters 11, 12, 13, 17 and 19 of the Hawaii Revised Statutes.

In section 2 of the measure, the responsibilities, powers, and jurisdiction of the chief election officer, county clerks, and other election officials are further defined and clarified.

Section 3 allows voters with questionable addresses to verify their registration; sections 4 and 5 would give election officials flexibility to effect the transfer of registered voters who move to another address within the state or within the same county.

Section 6 permits voters to register and vote on election day. Your Committee finds that this would allow greater access to the electoral process and would accommodate people who are motivated to vote by the intensified publicity and campaign in the weeks preceding the election.

Section 7 and 10 clarify the rights of "any person aggrieved" to appeal decisions by the county clerks and boards of registration.

Section 8 prohibits members serving on boards of registration from running for office.

Section 9 exempts hearings of boards of registration from the provisions of chapter 91, HRS.

Sections 11 and 12 allow the chief elections officer to continue to recruit sixteen and seventeen-year -old workers for precinct work. Your Committee finds that the youths of Hawaii who worked during the 1988 elections performed well and should be recruited for future elections.

Section 13 requires employers to notify employees of the two hours off for voting law.

Section 14 allows election officers to issue nomination papers when the forms become available.

Section 15 extends the period during which the chief election officer or county clerk may object to the validity of a candidate's nomination paper.

Section 16 reduces the required vote total for nonpartisan candidates to get on the general election ballot.

Section 17 brings the description of the board of education district boundaries into conformance with the decisions of the most recent reappointment.

Section 18, 20 and 21 adjust the procedural timetable for filling vacancies in the State Senate , Board of Education and the Office of Hawaiian Affairs.

Section 19 repeals section 17-5, HRS, relating to procedures in the event of a failure to elect.

Section 22 provides the chief election officer to call special elections to fill vacancies which occur in circumstances not covered in other sections of the election law.

Section 23 and 24 increases deterrent to election fraud by making it a class c felony.

Your Committee has amended the bill by deleting the sections on the bill relating to tied votes; withdrawal of candidates, and raising the compensation of the precinct officials. The measure is further amended by renumbering the sections accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 630, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 391 Judiciary on H.B. No. 629

The purpose of this bill is to establish within the Office of the Lieutenant Governor, for administrative purposes, a temporary commission entitled the "electronic voting commission."

Your Committee finds that while the current election system involving ballot printing and data processing is reliable, it is labor intensive and increasingly expensive. In order to fully investigate the merits of a totally electronic voting system, a temporary electronic voting commission is appropriate.

Your Committee amended the bill by increasing the total membership of the commission from nine to twelve. The House Speaker and the President of the Senate will each appoint three members, provided that the minority party shall be represented. Moreover, your Committee has deleted from the membership the chairperson of the election advisory committee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 629, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 392 Judiciary on H.B. No. 694

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

Your Committee received testimony, from the Attorney General's Office indicating that since this measure was first introduced, additional cases have been settled or resolved for additional amounts for which the Attorney General recommends payment.

Your Committee has amended the bill by the inclusion of the additional cases as recommended.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 694, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 393 Judiciary on H.B. No. 1717

The purpose of this bill is to comply with constitutional mandate by establishing a five-member judicial salary commission which reports to the Legislature on a biennial basis.

Pursuant to Article VI, Section 3, of the State Constitution, it is mandated that there be a salary commission to review and recommend salaries for justices and judges of all state courts. This measure is intended to satisfy the mandate by establishing such a commission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1717 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 394 Judiciary on H.B. No. 1701

The purpose of this bill is to appropriate \$825,000 for troubled youth and home based services, authorize the issuance of \$100,00 in general obligation bonds for capitol improvements for the substance abuse treatment, wilderness/ocean challenge, counselling, and transition programs for juvenile offenders, to appropriate \$581,000 for substance abuse treatment programs, \$100,000 for staff training and development, \$947,000 for the establishment of wilderness/ocean challenge, independent living programs, and the development of a classification system for juvenile offenders, and \$481,691 for substance abuse treatment, outreach services and a high control shelter in the Second Judicial Circuit.

Your Committee has amended the bill by establishing a Youth Services Board with responsibility for coordinating public and private services for those youth in need of different kinds of services provided by public and private agencies in the State and to assure that every youth shall in all circumstances be protected against all forms of neglect, cruelty, abuse, and exploitation.

In replacing the several appropriations in the bill by a Youth Services Board, your Committee believes that juvenile delinquency can be reduced by programs designed to prevent rather than simply treat juvenile delinquency. However, these programs, which include a youth services center are in addition to and are not intended to replace treatment and rehabilitation programs aimed at serious youthful offenders.

Chapter 296, HRS, is amended to require the board of education to adopt rules to refer youth in need of services to the Youth Services Board. In addition, Chapter 350, HRS, has been amended to require the Department of Human Services to inform the Youth Services Board of all minors involved in child abuse cases.

The bill, as amended, further transfers the duties of the family court intake agency to the Youth Services Board, with a provision for the transfer of personnel and equipment affected by this bill.

While the bill deletes several appropriations, an appropriation is recommended to fund and staff the Youth Services Board, and otherwise implement the salutary purposes of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1701, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Okamura and Yoshimura.

SCRep. 395 Judiciary on H.B. No. 1646

The purpose of this bill is to propose exemptions from present statutory authority which would otherwise mandate imprisonment of persons charged with intra-family sexual offenses by creating an alternative sentencing option.

Your Committee finds that under the alternative sentencing, there would be an imposition upon the offender, a term of probation subject to such intensive monitoring as the individual case may warrant. The measure would enhance the ability of the Family Court system to protect the well-being of family units and more importantly, promote reconciliation of family members. The bill would minimize trauma to the child victim while holding the offender responsible for the wrong doing. Moreover, it aims to facilitate timely civil and criminal intervention and reduces the unnecessary removal of the child victim from the family home.

Your Committee heard testimony in support of this measure from the Attorney General's Office, the Department of Human Services, the Public Defender's Office, the Honolulu Police Department, the Prosecuting Attorney of Kauai, the National Association of Social Workers, the Catholic Charities and a concerned citizen. Your Committee also heard eloquent arguments against the measure from the Prosecuting Attorney of Maui.

Upon further consideration, your Committee has amended the bill as follows:

1. Page 1, line 14 - deletion of the Department of Human Services and to clarify when the notice must be given.
2. Page 3, line 1 - expand the contents of the notice to emphasize the importance of the thirty-day time limitation.
3. Page 8, line 11 - add a new paragraph (3) to § 706-621, HRS, specifically setting forth eligibility for alternate sentencing as a factor weighing in favor of probation.
4. Page 10, line 13 and 15 - include the sum of \$318,850.00 as suggested by the Department of Human Services.
5. Page 11, add a five year drop-dead provision.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1646, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 396 Judiciary on H.B. No. 1619

The purpose of this bill is to provide funds for the development of a coordinated youth gang response system, incorporating law enforcement and intelligence, training and awareness intervention, prevention and evaluation. This bill appropriates \$194,000.00 to be expended by the city and county of Honolulu for the development of a statewide information system, public education programs, an inter agency task force and a gang prevention and monitoring program for fiscal year 1989-1990 and \$25,000.00 each to the counties of Maui, Hawaii and Kauai to monitor and evaluate gang activities and establish gang prevention programs in those counties for the fiscal year 1989-1990.

This bill also provides further sum of \$115,000.00 to be expended by the department of the Attorney General in the fiscal year 1989-1990 to: (a) coordinate training for prosecutors, public school personnel, the judiciary, the corrections department and community organizations, (b) develop comprehensive strategies and (c) develop criteria for intervention programs.

Finally, this bill provides for the sum of \$400,000.00 to be expended by the department of the Attorney General in the fiscal year 1989-1990 gang violence prevention programs in the Kalihi-Palama and Waipahu areas.

Your Committee has amended this bill by (a) replacing appropriations for various sums with the sum of \$1.00; (b) providing for the creation of a special prosecutor unit for each county for prosecutorial purposes; (c) providing for sums to be expended by the police departments of each county for enforcement of laws against youth gang relation activities; and (d) deleting references to geographical areas in Section 5 of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1619, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 397 Judiciary on H.B. No. 548

The purpose of this bill is to raise the compensation of precinct officials.

Your Committee finds that the precinct officials provide their friends, neighbors and community with an invaluable service which is difficult to adequately compensate as it is more an expression of commitment to the electoral process than simply pay for services rendered.

Moreover, the last increase in compensation was in 1982 which raise the pay of the average precinct official from \$45 to \$60.

Your Committee has amended the bill by providing for a \$15 increment. The bill is further amended to correct technical, nonsubstantive drafting errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 548, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 398 Judiciary on H.B. No. 235

The purpose of this bill is to establish within the Office of the Lieutenant Governor for administrative purposes, a commission of fair campaign practices which receives, reviews and issues findings on complaints of unfair campaign practices.

Your Committee finds that while hard fought campaigns enhance the electoral process by fostering healthy competition, open and wide-ranging discussion of both issues and candidate qualifications, appropriate measures are needed to ensure that candidates and committees refrain from practices which would cloud issues or unfairly attack opponents.

This measure addresses the foregoing concerns by creating a public forum wherein candidates can receive quick, unbiased hearing and resolution of complaints.

Your Committee upon further consideration, has amended the bill by including therein a provision for the Office of the Attorney General or the Prosecuting Attorney to initiate legal proceedings where the complaints are received by the commission within forty-eight hours prior to any elections. It is the concerns of this committee that the commission would face a hardship in responding expeditiously under such short notice, especially where a decisive response could determine the outcome of an election.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 235, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 399 Judiciary on H.B. No. 1824

The purpose of this bill is to compensate certain persons or their providers of services pursuant to Chapter 351, Hawaii Revised Statutes.

Your Committee received testimony supporting the intent of this bill from the Criminal Injuries Compensation Commission of the Department of Corrections.

This bill has been amended by inserting \$504,686.68 as the amount to be appropriated for the purposes of this bill. Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1824, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 400 Judiciary on H.B. No. 1900

The purpose of this bill is to change the description of the position of vice-director of civil defense from "chief administrative assistant to the director" to "first assistant to the director".

Testimony received by your Committee in support of this measure from the State Adjutant General and the Director of Civil Defense noted that the continued increase in the state population, changes in demography, and the growth in technology have increased the scope and complexity of civil defense operations, and the responsibilities for managing, directing, and controlling these operations have expanded concomitantly. It was therefore suggested that the vice-director be compensated at the first assistant level.

It is the opinion of your Committee that the higher salary is indeed commensurate with the increased responsibilities placed on this position over the past twenty years.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1900 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Okamura and Yoshimura.

SCRep. 401 Judiciary on H.B. No. 1348

The purpose of this bill is to amend the definition of "judge" in section 88-21, HRS, and to afford District Court and district Family Court judges the same retirement benefits as the judges of the Circuit and Appeal Courts

Your Committee received testimony from the Administrative Director of the courts and finds currently the judges of the district court and District Family Court are held to the same standards as judges of the other courts. However, they receive retirement benefits from the State of 2 1/2% or less, while other judges receive 3 1/2%. This bill is intended to give the District Court and District Family Court judges the same rights pertaining to retirement benefits as other judges and to provide a mean for them to claim full service credits for those years prior to July 1, 1989 in accordance with section 88-59, HRS.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1348 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 402 Judiciary on H.B. No. 562

The purpose of this bill is to strengthen the State Judiciary staff, to include additional circuit and district court judges and support staff.

Your Committee received testimony in support of this measure from the Judiciary stating that the Attorney General has indicated increased law enforcement efforts and the resultant heavier caseload can be expected with the transfer of the Office of Narcotics Enforcement to his department. In light of this anticipated increase, your Committee finds that additions to the Judiciary staff are in order.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 562 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 403 Judiciary on H.B. No. 631

The purpose of this bill is to amend section 11-15, HRS, to provide for the registration of voters by the use of a self-subscribing oath prescribed by the chief election officer.

Your Committee finds that the current notary requirement constitutes an obstacle to people who want to register, the elimination of the requirement would make the process of voter registration more convenient.

Your Committee amended the bill by deleting section 2, pertaining to registration by mail, and renumbered the bill accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 631, H.B. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 631, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 404 Judiciary on H.B. No. 1808

The purpose of this bill is to transfer the function for the payment of fees for witnesses subpoenaed on behalf of the State in criminal cases, or on behalf of the defendant at the expense of the State in criminal cases, to the Judiciary and the Office of the Public Defender.

Your Committee received testimony from the Director of Finance, and agrees with the intent of this bill since it is appropriate to have agencies which are responsible for approving and certifying expenses to also have responsibility for payment, thus ensuring that expenditure decisions are made with programmatic and financial considerations.

Your Committee on Judiciary are in accord with the intent and purpose of H.B. No. 1808 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 405 Judiciary on H.B. No. 1700

The purpose of this bill is to appropriate sums from the general revenues of the State to fund the program development and implementation activities related to the Hawaii master plan for sex offender treatment.

The master plan is the culmination of a two-year planning process by the Hawaii sex offender treatment team. The plan's fundamental principle is that public safety is increased to the extent that adult sex offender treatment programs and

services are fully integrated and delivered at a high level of quality. Untreated sex offenders have a higher rate of recidivism than treated sex offenders.

Your Committee, thus finds that in the interest of public safety, Hawaii needs a comprehensive and coordinated system of treatment programs for sex offenders.

Your Committee has amended this bill to reflect a change in the amounts to be appropriated to the Judiciary for purposes of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1700, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura and Yoshimura.

SCRep. 406 Judiciary on H.B. No. 1809

The purpose of this bill is to provide that when, because of a conflict of interest, private counsel must be appointed for an indigent person, payment of fees and expenses for the counsel shall be made by the Administrative Director of the Courts.

Currently these fees and expenses are paid by the Director of Finance. This measure will insure that the agency with the responsibility of approving and certifying expenses also has the budgetary and payment responsibilities.

Your Committee received testimony from the Department of Budget and Finance in favor of this measure.

Your Committee on Judiciary concurs with the intent and purpose of H.B. No. 1809, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 407 Judiciary on H.B. No. 1718

The purpose of this bill is to revise the salary schedule of justices and judges of all state courts.

Your Committee heard testimony in support of the measure from the administrative director of the courts and agrees with the intent of this bill to augment judicial salaries.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1718 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 408 Judiciary on H.B. No. 1617

The purpose of this bill is to require criminal history record checks on any person or entity providing direct services to children in social services programs provided by or contracted for by the state, or requiring state approval or certification; and on an applicant for a position with the Department of Education which involves working with children.

This bill ensures the safety of our children by requiring criminal history record checks of direct service providers, direct service staff, and purchase of service contractors.

Your Committee finds that it is proper for the state to have such requirements to ensure the good character of all individuals entrusted with the treatment, care, and education of our children.

Your Committee received testimony in support of this measure from the State Attorney General's Office and the Department of Human Services. After further consideration, your Committee has amended the bill by excluding from the criminal history record check requirements for professional medical personnel who are required to be board certified. These individuals are subject to the requirements of their respective boards and this amendment would facilitate the state's ability to procure their services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1617, H. D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Okamura and Yoshimura.

SCRep. 409 Consumer Protection and Commerce on H.B. No. 1042

The purpose of this bill relates to health clubs.

H.B. No. 1042 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your

Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1042, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1042, H.D. 1.

Signed by all members of the Committee.

SCRep. 410 Human Services on H.B. No. 411

The purpose of this bill is to authorize the Director of Corrections, with the approval of the Governor, to transfer inmates to any out-of-state correctional institution.

Your Committee finds that these transfers would occur, if in the best interest of the security and good government of the state correctional facility where the inmate is presently placed, or in the best interest of the inmate.

Your Committee received testimony from the Department of Corrections in favor of this bill. Current law does not authorize the Department of Corrections to transfer inmates to out-of-state facilities, unless agreed upon through the Western Interstate Corrections Compact. This Compact, however, limits the number of states to which the Department may transfer inmates to. This bill would give the Director greater flexibility in the transfer of inmates to a greater number of out-of-state institutions, if the circumstances so warrant.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 411 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 411 Human Services on H.B. No. 408

The purpose of this bill is to clarify that rules relating to the management of correctional or detentional facilities and inmates, do not require publication or public hearings pursuant to Chapter 91, Hawaii Revised Statutes.

Testimony was presented by the Department of Corrections in favor of this bill. Current statutes require the Department of Corrections to publish and conduct public hearings to adopt, amend, or repeal rules governing correctional facilities and inmates pursuant to Chapter 91. Present departmental rules under Title 17 describe the objectives of the Department, how objectives will be accomplished, and how these objectives affect the inmate population.

Your Committee finds that these rules that relate to the management of facilities, inmates, and employees describe internal controls and policies of the Department and should not require public hearings since their application affects only inmates and employees, and not the general public.

Your Committee further finds that in *Holdman v. Olim*, 59 Haw. 346 (1978), the State Supreme Court held that the Department of Corrections, which was formerly under the Department of Social Services and Housing, is not required to promulgate rules for its correctional facilities because these regulations and policies governing these facilities are for internal management purposes only. In addition, because internal management rules are revised so often, the time and cost to follow Chapter 91 for a rule change would hinder the good management of the facility.

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

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 408, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 412 Planning, Energy and Environmental Protection on H.B. No. 172

The purpose of this bill is to prohibit the sale of beverage containers that are connected by plastic ring connectors which are not degradable.

Your Committee finds that while the bill makes reference to "photobiodegradation" and "biodegradation", it does not specifically call for the decomposition by only photodegradation. While industry technology has enabled the success of photodegradation, the same is not so for biodegradation.

Accordingly, your Committee has amended this bill to delete reference to photobiodegradation and replace the reference with the more accurate term photodegradation.

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

Signed by all members of the Committee.

SCRep. 413 Consumer Protection and Commerce on H.R. No. 10

The purpose of this resolution is to request the Insurance Commissioner to identify any mechanisms existing under present law that would require the insurance industry to absorb some of the risk of insuring human service agencies. This resolution also requests the Insurance Commissioner to consider the possibility of a special appropriation to pay the liability insurance of such agencies; to convene, if necessary, a meeting of insurance industry representatives to formulate solutions to this insurance problem; and to submit findings, recommendations, and proposed legislation, if any, to the Legislature.

Your Committee finds from recent news reports that the highly regarded "peanut butter" ministry operated by the independent, non-profit Institute for Human Services ("IHS"), is encountering great difficulty in obtaining affordable liability insurance. The IHS is facing an increase in insurance premiums from \$4,000 to up to \$40,000 per year, and may have to cease providing its services to the homeless unless its insurance problem is resolved quickly. Other independent non-profit human service agencies which are unable to spread their risks to a large pool of similar organizations or under an "umbrella" organization to take advantage of lower premiums, are also potentially faced with the same threat of having to discontinue their operations due to expensive insurance premiums.

Your Committee finds that insurance companies operating in Hawaii should contribute to the community and share a sense of civic responsibility along with human service agencies. Insurance companies and human service agencies should benefit from the work of one another, thus promoting a relationship of cooperation, which can be used in the search for alternate insurance coverage which is affordable for the service agencies.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 10 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 414 Consumer Protection and Commerce on H.C.R. No. 6

The purpose of this concurrent resolution is to request the Insurance Commissioner to identify any mechanisms existing under present law that would require the insurance industry to absorb some of the risk of insuring human service agencies. This concurrent resolution also requests the Insurance Commissioner to consider the possibility of a special appropriation to pay the liability insurance of such agencies; to convene, if necessary, a meeting of insurance industry representatives to formulate solutions to this insurance problem; and to submit findings, recommendations, and proposed legislation, if any, to the Legislature.

Your Committee finds from recent news reports that the highly regarded "peanut butter" ministry operated by the independent, non-profit Institute for Human Services ("IHS"), is encountering great difficulty in obtaining affordable liability insurance. The IHS is facing an increase in insurance premiums from \$4,000 to up to \$40,000 per year, and may have to cease providing its services to the homeless unless its insurance problem is resolved quickly. Other independent non-profit human service agencies which are unable to spread their risks to a large pool of similar organizations or under an "umbrella" organization to take advantage of lower premiums, are also potentially faced with the same threat of having to discontinue their operations due to expensive insurance premiums.

Your Committee finds that insurance companies operating in Hawaii should contribute to the community and share a sense of civic responsibility along with human service agencies. Insurance companies and human service agencies should benefit from the work of one another, thus promoting a relationship of cooperation, which can be used in the search for alternate insurance coverage which is affordable for the service agencies.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 6 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 415 Finance on H.B. No. 1856

The purpose of this bill is to conform Hawaii's Income Tax Law with changes in the Federal Internal Revenue Code.

H.B. No. 1856 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1856, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1856, H.D. 1.

Signed by all members of the Committee.

SCRep. 416 Finance on H.B. No. 1857

The purpose of this bill is to repeal chapter 246, Hawaii Revised Statutes, after the complete transfer of the real property tax functions to the various counties is effectuated in November, 1989.

H.B. No. 1857 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1857, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1857, H.D. 1.

Signed by all members of the Committee.

SCRep. 417 Finance on H.B. No. 475

The purpose of this bill is to increase the amount available for personal loans from \$5,000 to \$15,000 under the State's program for disaster relief.

Your Committee finds that the cost of hiring as well as the cost of doing business have increased substantially since the program's inception in 1961. Accordingly, your Committee has amended this bill to increase commercial loans from \$25,000 to \$50,000.

It is the intent of your Committee that the State's program for disaster relief be supplementary to the programs offered by the federal government.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 475, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 418 Finance on H.B. No. 49

The purpose of this bill is to establish an emergency and budget stabilization fund to maintain levels of programs determined to be essential to the public health, safety, and welfare and to meet other financial situations of the State as set forth in the Act.

It is recognized that uncertainties of the future make it difficult to accurately project revenues upon which appropriations are made; and that fluctuations in economic conditions may cause financing problems. The emergency and budget stabilization fund will aid the State in meeting these uncertainties and fluctuations.

Your Committee is of the opinion that the emergency and budget stabilization fund will benefit the State by ensuring necessary programs are kept intact; and unforeseen emergencies of the State will not overburden the general fund balance.

Your Committee has amended this bill by:

1. Including the transfer of \$1 from the general fund for fiscal year 1989-1990;
2. Clarifying that moneys from the general revenues of the State are transferred into the emergency and budget stabilization fund; and
3. Correcting a technical drafting error.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 49, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 49, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 419 Finance on H.B. No. 1811

The purpose of this bill is to continue to provide the Department of Education and the University of Hawaii administrative flexibility in their budget execution process by extending the original repeal date of Act 320, Session Laws of Hawaii 1986, by five years, from June 30, 1989, to June 30, 1994.

This bill also authorizes the temporary suspension of Act 321 if any of its provisions relating to the Department of Education impairs the Governor's ability to promote and ensure the economic and efficient management of the State's financial resources.

Act 320 provided the Department of Education and the University of Hawaii greater administrative flexibility in the budget execution process to allow more effective and responsive management of their programs. Furthermore, this Act allowed allotments and expenditures of appropriations to be made according to internal priorities of the Department and University, provided they are within the budget and allotment ceilings established by the Governor.

Your Committee finds that the flexibility legislation has been beneficial to the Department of Education and evaluations of Act 320 by the Legislative Auditor have been generally positive.

Your Committee has received testimony from the Department of Budget and Finance and the superintendent of the Department of Education in support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1811 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 420 Finance on H.B. No. 876

The purpose of this bill is to eliminate the annual renewal and payment of fees for general excise tax licensees and provide for a one-time payment of a \$50 licensing fee for all new and current licensees and nonprofit organizations.

Your Committee finds that this measure would (1) eliminate the need for the Department of Taxation to send renewal notifications thereby permitting the use of computer files for updating license information, (2) make the collection of delinquent accounts unnecessary, and (3) discourage the practice by many taxpayers cancelling their licenses or registrations during an inactive year and requesting a reinstatement the following year.

Testimony in favor of this bill was received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 876 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 421 Finance on H.B. No. 418

The purpose of this bill is to improve the ability of the Department of Taxation to collect tax debts owed to the State.

Under this bill, all tax liens filed by the Department of Taxation with the Bureau of Conveyances will be automatically filed with the Land Court. At the present time, the Department must file a separate tax lien with each entity in order to make a claim against delinquent taxpayers.

In addition, this bill requires the parties to a mortgage foreclosure to inform the Department of Taxation of such proceedings. Currently, the Department has no knowledge of pending court proceedings and no opportunity to file a claim to recover delinquent taxes owed the State. By requiring the parties to a mortgage foreclosure to inform the Department of such proceedings, the Department will have a better opportunity to seek payment of delinquent tax claims ahead of other competing parties for amounts owed.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 418 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 422 Tourism on H.B. No. 902

The purpose of this bill is to require the Department of Business and Economic Development (DBED) to prepare a biennial tourism marketing plan, including provisions for measuring the effectiveness of the plan, and an annual report on the status and effectiveness of the plan to be submitted to the Legislature.

This bill is a response to one of the recommendations made in the Legislative Auditor's Management and Financial Audit of the State Tourism Office. The Auditor observed that the Legislature has greatly increased the level of financial support for tourism promotion in the last several years. However, DBED's Tourism Office, which does not itself carry out promotions activities but contracts them out, has no formal procedures for monitoring and evaluating the efforts of the contractors.

It is essential that any organization develop ways of measuring the effectiveness of its efforts. These measures may of necessity be imprecise, but without ways of measuring the effectiveness of actions, developed in advance, an organization has no way of knowing whether its actions are effective in achieving its goals. When it has measures of its effectiveness, an organization can evaluate its actions in light of its expectations, and know whether it is doing things right or whether it needs to change its approach.

In the first half of this decade, the State spent around \$4 million in each fiscal year for tourism promotion. In 1986 government tourism promotion spending rose to around \$6 million; in 1987 to around \$8 million; and in the 1988 Legislative Session, the Legislature appropriated nearly \$16 million for tourism promotion. Without specific expectations stated in advance of implementing its tourism promotion plans, and measures of effectiveness to assess the success of the implementation of those plans, DBED cannot know whether it is being effective, and the Legislature does not know if it is allocating the State's resources wisely. Without feedback on the effectiveness of DBED's tourism promotion programs, its \$16 million tourism promotion budget represents only good intentions.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 902 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 423 Human Services on H.B. No. 410

The purpose of this bill is to change the existing law mandating a high security facility to provide facilities for those persons in need of major medical, psychiatric, or specialized care.

Your Committee received testimony from the Department of Corrections in favor of this bill. Your Committee finds that although the current law requires that a high security facility house persons in need of major medical, psychiatric, or specialized care, in practice, not all high security facilities in the State provide all of these services.

Your Committee further finds that a high security facility is not conducive to treatment of inmates with major medical, psychiatric, or other specialized needs. Health services are concentrated at Oahu Community Correctional Center (OCCC) and Halawa Medium Security Facility (HMSF). The health services provided at the high security facility serve a triage function. Inmates in need of more intensive services are moved to the OCCC or HMSF. The Department of Corrections, in conjunction with the Department of Health, has developed intensive mental health services at OCCC. As a result, persons in need of major psychiatric care are placed at OCCC.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 410 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 424 Consumer Protection and Commerce on H.B. No. 1667

The purpose of this bill relates to public utilities.

H.B. No. 1667 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1667 and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1667, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 425 Human Services on H.B. No. 618

The purpose of this Act is to effectuate the delivery of human services.

H.B. No. 618 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 618, as amended herein, and recommends that it be recommitted to the Committee on Human Services, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 618, H.D. 1.

Signed by all members of the Committee except Representatives Hayes and Peters.

SCRep. 426 Finance on H.B. No. 1015

The purpose of this bill is to amend the state bond law to provide the director of finance the flexibility to accept other forms of surety in addition to a surety bond as security for issuing replacement bonds or payment of lost, stolen, defaced, or destroyed bonds.

H.B. No. 1015 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1015, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1015, H.D. 1.

Signed by all members of the Committee except Representative Isbell.

SCRep. 427 Consumer Protection and Commerce on H.B. No. 946

The purpose of this bill is to allow the board of directors of an association of owners of a condominium or a cooperative housing corporation to demand for arbitration of the sales price of a leased fee interest which has been offered for sale pursuant to the first right of refusal.

H.B. No. 946 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 946, as amended herein, and recommends that it be recommended to the Committee on Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 946, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 428 Judiciary on H.R. No. 64

The purpose of this resolution is to designate February 19, 1989 as a "Day of Remembrance" to remind all residents of Hawaii of the relocation and internment of Americans and resident aliens of Japanese ancestry on February 19, 1942 by the passage of Executive Order 9066.

Your Committee recognizes that those who were subject to relocation and resettlement were forced to undergo tremendous hardship and suffering as well as a loss of basic civil liberties and constitutional rights. This resolution serves as a reminder that such acts must never recur and that all citizens must be ever vigilant against the diminution of their rights.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 64 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 429 Judiciary on H.C.R. No. 49

The purpose of this concurrent resolution is to designate February 19, 1989 as a "Day of Remembrance" to remind all residents of Hawaii of the relocation and internment of Americans and resident aliens of Japanese ancestry on February 19, 1942 by the passage of Executive Order 9066.

Your Committee recognizes that those who were subject to relocation and resettlement were forced to undergo tremendous hardship and suffering as well as a loss of basic civil liberties and constitutional rights. This concurrent resolution serves as a reminder that such acts must never recur and that all citizens must be ever vigilant against the diminution of their rights.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 49 and recommends its adoption.

Signed by all members of the Committee except Representative Anderson.

SCRep. 430 Finance on H.B. No. 1810

The purpose of this bill is to improve the public funding mechanism for purchases of service from the private sector and providing subsidies and one-time grants to the private sector.

This bill establishes a new chapter on grants, subsidies, and purchases of service and repeals chapter 42, Hawaii Revised Statutes. This bill would shift the focus of decision-making to emphasize the importance of applying resources to assessed needs. Under this measure, the state agencies would identify and assess needs for services first and based on the needs assessment, agencies would evaluate the most appropriate service delivery system. If the agency determines that services can be better addressed through a private provider, the agency will submit a recommended budget as part of the agency's program budget for inclusion into the Executive Budget. Upon the appropriation of funds, the state agencies would then advertise for proposals.

Article VII, section 4, of the State Constitution requires that public funds shall be used only for public purposes and granted only pursuant to standards established by law. Your Committee finds that this bill meets this constitutional requirement. Your Committee further finds that this bill establishes the means by which to provide the services in the most effective and efficient manner.

Your Committee has amended the bill to allow an agency to select a provider without further advertisement if no proposals are received in response to an advertisement for proposals or if a provider can no longer provide the services. In addition, the effective date was amended to ensure that appropriations for grants, subsidies, and purchases of service made prior to July 1, 1989 shall not be subject to the provisions of this bill. The bill was further amended to correct certain typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1810, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 431 Finance on H.B. No. 733

The purpose of this bill is to allow for the repair of utility lines to be made without public advertisement for sealed tenders or a call for informal bids. In addition, this bill deletes the repeal date of July 1, 1989 for Act 229, Session Laws of Hawaii 1987, which allows expenditures of up to \$10,000 for repair of publicly owned or leased equipment and sewage treatment plants without informal or formal bidding procedures.

Your Committee finds that during emergencies, broken or malfunctioning utility lines need to be repaired expeditiously to provide for the health, safety, and welfare of the public.

Your Committee received testimony from the Department of Transportation in support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 733 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 432 Finance on H.B. No. 420

The purpose of this bill is to clarify the term of the Tax Review Commission to ensure that the Commission will be available to testify before the Legislature.

Under this bill, the Commission is to dissolve upon the adjournment of the Legislature to which it submits its report for consideration. The Commission's duties are not completed until the Legislature has had an opportunity to satisfy itself that the Commission's findings and recommendations are in the best interest of Hawaii's citizens and taxpayers.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 420 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 433 Finance on H.B. No. 416

The purpose of this bill is to allow the Department of Taxation and the taxpayer to agree in writing to an extension of the statutory one year period within which the Department may assess a deficiency or determine a refund to adjust for changes pursuant to a federal Internal Revenue Service report of pending adjustments or unresolved issues.

Present law provides for a one year period from the time the Department of Taxation is notified by the taxpayer or the Internal Revenue Service within which to adjust for changes pursuant to a federal report. When the Department is notified of pending adjustments or unresolved issues by the Internal Revenue Service or the taxpayer, this one year period is often not enough time for the issues to be resolved or the adjustments finalized especially if the taxpayer decides to take the issues to Federal Tax Court.

Your Committee finds that the one year period is not sufficient to resolve many tax related issues and that this bill would provide the Department and taxpayers with a viable option to the issuance of an assessment or protracted litigation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 416 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 434 Finance on H.B. No. 462

The purpose of this bill is to authorize the issuance of general obligation bonds and to declare findings that the total amount or 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.

This bill is intended to meet the requirement of Article VII, Section 13, of the Constitution of the State of Hawaii. This constitutional provision requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the debt limit will not be exceeded upon the issuance of bonds authorized by the law and in the past.

Amounts in the bill have been left blank since the precise data or best estimates are not known at this time. It is the intent of your Committee that such amounts will be inserted when they become known.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 462 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 435 Finance on H.B. No. 1825

The purpose of this bill is to continue the investment yield rate of eight per cent for actuarial valuations for the fiscal years ending June 30, 1989 and 1990.

Your Committee finds that actuarial valuations are prepared annually to determine the employer contributions required to fund the retirement system. With the exception of the investment yield rate, certain noneconomic and economic assumptions recommended by the system's actuary are utilized by the board of trustees to determine the employer's annual contribution to the retirement system. Since the statutory investment yield rate expired on June 30, 1988, it is necessary to establish an investment yield rate for fiscal years 1989-1990.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1825 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 436 Finance on H.B. No. 1805

The purpose of this bill is to lapse all unrequired encumbered balances for capital improvement projects that were authorized five or more years ago.

This bill is designed to purge the Department of Accounting and General Services' CIP accounting records for all State and County agencies and to encourage all expending agencies to lapse all unrequired balances after projects have been completed. Furthermore, this bill provides that any encumbered balances required to meet the financial obligations of the State shall not lapse.

Your Committee finds that currently, all unallotted or unencumbered funds for capital improvement projects are lapsed pursuant to the lapsing date of the respective Acts by which such projects were authorized. Funds that were encumbered prior to the lapsing date are not affected and remain in the Department of Accounting and General Services' records until these funds are either expended or unencumbered. A review of the Department of Accounting and General Services' bond fund report indicates that there is a significant amount of encumbered funds for 1966 to 1984 projects of several State and County agencies, many of which have since been completed. However, the remaining encumbered balances continue to remain in the accounting records.

Specific details relating to which funds will lapse have been left blank since data are not available at this time. It is the intent of your Committee that such information will be inserted when they become known.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1805 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 437 Finance on H.B. No. 1114

The purpose of this bill is to appropriate the sum of \$100,000 for Christmas decorations at various State buildings and landmarks.

Your Committee received testimony from the Department of Accounting and General Services and the Department of Land and Natural Resources in support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1114 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 438 Finance on H.B. No. 1797

The purpose of this bill is to continue to provide the Department of Education and the University of Hawaii administrative flexibility in their method of accounting and record keeping by extending the original repeal date of Act 321, Session Laws of Hawaii 1986, by five years, from June 30, 1989, to June 30, 1994.

This bill also authorizes the temporary suspension of Act 321 if any of its provisions relating to the Department of Education impairs the Governor's ability to promote and ensure the economic and efficient management of the State's financial resources.

Act 321 allowed the Department of Education and the University of Hawaii 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.

Your Committee finds that the implementation of Act 321 has progressed with minimum difficulties with respect to the statewide accounting function of the Department of Accounting and General Services. The evaluation reports of the Legislative Auditor have been generally positive.

Your Committee has also received testimony from the Department of Accounting and General Services and from the superintendent of the Department of Education in support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1797 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 439 Finance on H.B. No. 4

The purpose of this bill, as received by your Committee, is to appropriate funds for the promotion of Hawaii-grown coffee through programs conducted by the Department of Agriculture.

In addition, the bill requires a dollar-for-dollar matching contribution by the coffee industry.

Your Committee heard testimony that there is much work to be done within the industry for promoting and marketing-related activities.

The promotion of Hawaiian coffee, specifically Kona coffee, is carried out mainly as a branded product by individual Kona coffee roasters. Except for small localized promotion efforts in Kona supported with matching funds from the Department of Agriculture, the industry has concentrated on the rising gourmet market and has not conducted any generic promotion for many years.

Your Committee further heard testimony from the College of Tropical Agriculture and Human Resources calling for all industry-wide activities to be conducted by an industry organization. This organization will provide the Kona coffee industry, and eventually the broader Hawaii coffee industry, with the means to assess the relative conditions of production and markets, run an industry-wide certification program to sustain and improve the quality and image of Kona coffee, and determine the level of promotion and general industry-wide marketing efforts.

Your Committee finds that much more could be done to revitalize the industry if funds were made available for promotion.

Your Committee has amended this bill by appropriating \$60,000 instead of \$100,000 for promoting and marketing-related activities within the Hawaiian coffee industry.

Your Committee has also amended this bill by appropriating \$40,000 for the support of administrative expenses associated with the Kona Coffee Council, to be used for:

- (1) Coordinating ongoing research and disseminating the results to coffee growers;
- (2) Assisting the Department of Agriculture in grading and quality control of Kona coffee pursuant to state labelling requirements; and
- (3) Undertaking other tasks as necessary to promote the growth and well-being of the Kona coffee industry.

Technical, nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 4, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 4, H.D. 1.

Signed by all members of the Committee.

SCRep. 440 Finance on H.B. No. 2

The purpose of this bill is to assist the sugar industry by appropriating funds for sugar research and development, including research of alternate crops and by-products, and for work related to ensuring congressional support for the United States sugar industry.

The bill requires a dollar-for-dollar matching contribution by the sugar industry.

Your Committee finds that the sugar industry is the largest agricultural industry in Hawaii and has experienced financial difficulty in recent years primarily due to unfavorable national and international sugar policies. The adverse effects of losing the sugar industry would be catastrophic to the State.

Your Committee finds that it is in the public interest to provide research and other assistance to the sugar industry and thereby offset some of the industry's costs. The industry must continue its research and development programs to increase productivity and reduce cost if it is to remain competitive in the U.S. and world sugar markets.

Your Committee heard expressions of concern and cautious optimism about the fate of the industry, the State economy, and the fate of the price supports and import quotas for sugar in the 1990 Farm Bill. Your Committee also heard reaffirmations for the need to support and encourage Hawaii's congressional delegation to sustain their efforts in support of the U.S. sugar industry.

Your Committee has amended section 2 of the bill by appropriating \$2,000,000. Other technical, nonsubstantive amendments have been made for purposes of clarity and style.

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

Signed by all members of the Committee.

SCRep. 441 Finance on H.B. No. 29

The purpose of this bill is to expand the current cooperative program between the Hawaii Natural Energy Institute of the University of Hawaii and the People's Republic of China and other Pacific Basin Countries.

Your Committee finds that Hawaii has become a leader in the Pacific Basin in the research, development, and utilization of renewable energy technologies. The University has begun significant cooperative outreach and technology transfer programs with the People's Republic of China. From this base, there is an excellent opportunity for launching a larger program wherein Hawaii can provide the leadership and create new opportunities for our alternative renewable energy industries.

Your Committee has amended the bill by appropriating \$300,000. Other technical, nonsubstantive amendments have been made for purposes of style and clarity and to correct drafting errors.

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

Signed by all members of the Committee.

SCRep. 442 Finance on H.B. No. 43

The purpose of this bill is to establish a Center of Alternative Dispute Resolution, making alternative dispute resolution a permanent feature of State government. The Center's function would be to resolve complex civil disputes involving state agencies.

Your Committee received testimony in support of this bill from the State Judiciary and the Attorney General's office. The Judiciary testified that the use of alternative dispute resolution reduces the costs of litigation and lessens the burden on the court system.

Your Committee has amended the bill by making technical and nonsubstantive amendments for the purposes of clarity and style.

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

Signed by all members of the Committee.

SCRep. 443 Finance on H.B. No. 23

The purpose of this bill is to establish a recycling commission to formulate a statewide plan for recycling.

Like the rest of the nation, Hawaii is faced with the scarcity of available and suitable land for new landfills, diminishing capacities of the existing landfills, and ever increasing amounts of solid waste being generated. Recycling is one phase of an integrated solid waste management program to recover resources and to reduce the amount of waste going to the landfill.

Your Committee finds that the people of this State must embark on a statewide effort to increase recycling efforts in Hawaii. While much information exists regarding the merits and economics of recycling, there is no consensus on how a large scale recycling effort could be implemented in Hawaii. Your Committee feels that a commission with members representing agencies and industries which will have to implement the recycling program is necessary to develop a workable and efficient plan of action.

Testimony in support of this measure was received from the Department of Health, Hawaii Food Industry Association, Hawaii Medical Association, Halawa Garden Products, and a researcher at the University of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 23, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 444 Finance on H.B. No. 31

The purpose of this bill is to require each county to maintain on their real property tax maps the following information:

- 1) Historic sites listed in the Hawaii Register of Historic Places;
- 2) Historic sites previously listed in the Hawaii Register but removed in 1980 because of procedural inadequacies related to owner notification; and
- 3) Historic sites listed in the National Register of Historic Places.

This bill mandates the Hawaii Historic Places Review Board of the Department of Land and Natural Resources (DLNR) to notify current owners of the unlisted sites which were removed from the Hawaii Register in 1980, and to hold meetings to review and re-list, when appropriate, these sites. Finally, this bill appropriates funds to the City and County of Honolulu to (upgrade) maintain historic sites information on all county real property tax maps and appropriates funds to the Hawaii Historic Places Review Board to carry out the purpose of this bill.

DLNR, the Department of Finance of the City and County of Honolulu, and the Historic Hawaii Foundation submitted testimony in support of this bill. DLNR testified that it has begun to take steps to address the registration concerns mentioned in the bill by notifying property owners on Kauai as well as on the Big Island (South Kona and Kau) of its intent to re-list their lands in the Hawaii Register.

Your Committee finds that \$100,000 is sufficient for the City and County of Honolulu to upgrade all of the real property tax maps to reflect the purposes of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 31, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 445 Finance on H.B. No. 22

The purpose of this bill is to appropriate funds for the 1990 World Hydrogen Energy Conference.

In 1986, the Legislature appropriated funds to attract the biennial World Hydrogen Energy Conference to Hawaii. Assisted by that legislative initiative, Hawaii was selected to host the World Hydrogen Energy Conference 8 in 1990, also known as Hawaii Hydrogen 90. The \$50,000 appropriation to the Hawaii Natural Energy Institute in 1986 resulted in more than \$700,000 in research and development funding from the Department of Energy.

Your Committee finds that in order to provide substance to the event and establish Hawaii as the leading center for this technology, specific demonstrations of hydrogen projects are desired. Funds from this appropriation will be used as leverage to attract government and industrial participation, both national and foreign.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 22 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 446 Finance on H.B. No. 5

The purpose of this bill is to strengthen the plant quarantine inspection program by appropriating funds to acquire and train dogs to detect the importation of illegal plants and animals.

Under the present inspection system, airline passengers are asked to declare any plants and animals brought into the State. Passengers, suitcases, and declared items are then scrutinized for illegal materials as they disembark from the aircraft. Although this system has been successful in the seizure of illegal materials, many items are not identified or seized and continue to pose a threat to Hawaii's people, plants, and wildlife.

Your Committee heard testimony concerning the successful use of trained dogs in plant quarantine inspection programs in other states and the low cost involved. A demonstration held in Honolulu using a beagle assigned to the San Francisco International Airport proved that the use of trained dogs would ensure the successful detection of illegal plants and animals.

Your Committee, therefore, finds that trained dogs accompanied by trained quarantine inspectors will increase the ability of the State's inspection program to detect and restrict the entry of prohibited plants and animals into the State.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 5 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 447 Consumer Protection and Commerce on H.B. No. 945

The purpose of this bill relates to insurance.

H.B. No. 945 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 945, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 945, H.D. 1.

Signed by all members of the Committee except Representatives Okamura and Shon.

SCRep. 448 Consumer Protection and Commerce on H.B. No. 161

The purpose of this bill is to allow licensed psychologists in the State of Hawaii to form professional corporations under Chapter 415A of the Hawaii Revised Statutes.

Chapter 415A allows the incorporation of a professional corporation for the purpose of rendering a specific list of professional services. Under current law, that list does not include service which may be rendered by a licensed psychologist. This bill amends Section 415A-2 of the Hawaii Revised Statutes so as to add service which may be rendered by a licensed psychologist to the statutory list of professional services.

Your Committee heard testimony in favor of this bill from the Hawaii Psychological Association ("HSA"). This organization has over 200 members, including practicing psychologists, university professors, and graduate and undergraduate students. It is the belief of the HSA that this bill would recognize licensed psychologists in the State of Hawaii as providers of professional services, allow licensed psychologists to form professional corporations, and allow licensed psychologists to become members of corporations involving two or more providers of professional services.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 161 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 449 Finance on H.B. No. 47

The purpose of this bill is to increase the present \$45 food tax credit to \$60 per qualified exemption for taxable years which begin after December 31, 1988 and end before January 1, 1991.

Currently, a resident taxpayer who files an individual income tax return for a taxable year may claim the existing food tax credit, provided the taxpayer is not eligible to be claimed as a dependent by another taxpayer, and has physically resided in the State for more than nine months of the taxable year. The taxpayer may claim a food tax credit of \$45 multiplied by the number of qualified exemptions to which the taxpayer is entitled.

Your Committee finds that an increased food tax credit is a viable alternative to a general excise tax exemption on food purchases and will provide financial assistance to Hawaii's residents, particularly those in the lower income tax brackets.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 47 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 450 Finance on H.B. No. 1148

The purpose of this bill is to require multidistrict taxpayers to provide a breakdown of the general excise tax and transient accommodations tax payments by taxation district on the tax return form.

Your Committee finds that the tax reporting system proposed under this bill will provide the Legislature with statistical data identifying economic activity generated within any one particular district.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1148 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 451 Finance on H.B. No. 417

The purpose of this bill is to eliminate an apparent tax avoidance opportunity existing in the Multistate Tax Compact and in Hawaii's Income Tax Law.

Presently, our Income Tax Law, as well as the provisions of the Multistate Tax Compact, tax the entire capital gain or loss arising from certain transactions involving multistate taxpayers. The sale is subject to taxation only if the intangible property is allocated to Hawaii and if the State is the commercial domicile of the taxpayer.

In 1986, the California State Board of Equalization ruled in the Appeal of Holiday Inns, that certain gains for the sale of a partnership interest may be assigned to another state that had no rational business connection with the income so derived. In this instance, the taxpayer derived a tax benefit from the deduction of distributable partnership losses in California, where the partnership operated but recognized no taxable income in California when the partnership interest was sold. In essence, the decision allowed a multistate taxpayer to choose which state in which to report its income.

Under this bill, all gains or losses resulting from sales of partnership interests are to be allocated to the taxpayer's Hawaii income, based upon the percentage of the partnership's total tangible property which is in-state, versus out-of-state, as determined at the time of sale. Moreover, if more than fifty per cent of a partnership's assets consist of intangibles, any gain or loss resulting from the sale of the partnership interest is allocated to the taxpayer's Hawaii income based on the percentage of total partnership sales which are in-state sales, for the year prior to the sale.

Your Committee finds that this bill clarifies the tax treatment of the resulting gain or loss of a partnership interest in this State when such interest is sold and removes any abuse of shifting certain partnership income away from the state where the partnership operated. Your Committee further finds that the amendments to our existing tax law, contained in this bill, are similar to those being sought by other member states of the Multistate Tax Compact.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 417 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 452 Finance on H.B. No. 770

The purpose of this bill is to increase the level at which advertised sealed bidding is required. More specifically, this bill would:

- (1) Increase the minimum threshold required for advertised sealed bids from \$8,000 to \$15,000;
- (2) Increase the range required for advertised informal bids from \$4,000-\$8,000 to \$8,000-\$15,000;
- (3) Increase the range required for advertised informal bids for public works projects from \$4,000-\$15,000 to \$8,000-\$25,000; and
- (4) Increase the range for repair of heavy equipment, automotive equipment, and sewage treatment plant to be made without formal or informal bids from \$4,000-\$10,000 to \$8,000-\$15,000.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 770 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 453 Finance on H.B. No. 1575

The purpose of this bill is to increase the energy conservation tax credit for resident individuals and corporations to twenty-five per cent of the cost of all wind or solar energy devices, heat pumps, or ice storage systems placed in service in the state after December 31, 1989.

Presently, section 235-12, Hawaii Revised Statutes, allows a fifteen per cent tax credit against the income tax liability of an individual on the cost of a solar or wind energy device, heat pump or ice storage system placed in service in the state before December 31, 1992. For a solar energy device used in a trade or business that qualifies for the Federal energy property credit under Internal Revenue Code section 46, the state tax credit allowable is ten per cent.

Your Committee finds that the current low price of imported oil has adversely affected the competitive viability of solar water heaters, heat pumps, and other conservation and alternate energy conversion devices and that additional incentives in the form of higher state tax credits are needed to ensure that progress will continue toward the State's goal of reducing its dependence on imported oil.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1575 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 454 Economic Development and Hawaiian Affairs on H.B. No. 763

The purpose of this bill is to make technical changes to chapter 206P, Hawaii Revised Statutes, and also to provide for the employees of Hawaii INC the same benefits received by State employees.

Your Committee received testimony from the Department of Budget and Finance in support of both H.B. 763 and H.B. 1807 which are similar. H.B. 763 has been amended to incorporate changes made in H.B. 1807. These changes include making technical changes to section 206P-7, Hawaii Revised Statutes, and section 13 of ACT 1, First Special Session Laws of Hawaii 1988.

The only substantive change is to allow employees of the Hawaii Information Network Corporation to receive the same benefits package as employees of State government.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 763, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 455 Economic Development and Hawaiian Affairs on H.B. No. 1904

The purpose of this bill is to amend the Hawaiian Homes Commission Act, 1920, sections 214 (b) and 215 which authorizes the department of Hawaiian home lands to make loans or guarantee the repayment of loans made to any lessee, or successor or successors-in-interest, for the repair, maintenance, purchase, and erection of a dwelling or related permanent improvements. In the past, these sections have limited the department's loans and guarantees to a fixed amount causing the department to request statutory amendments to change the dollar amount. This bill would replace the fixed amount and raise the ceiling of \$50,000 to a ceiling calculated by an appropriate formula outlined in H.B. 1904.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1904 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 456 Water and Land Use on H.B. No. 279

The purpose of this bill is to reauthorize the negotiation of long-term residential leases between the Department of Land and Natural Resources and persons who were displaced by, or who are the descendants of refugees of, the 1926 Hoopuloa lava flow on the Big Island. Act 62, Session Laws of Hawaii 1982, as amended by Act 83, Session Laws of Hawaii 1984, had authorized this negotiation to January 1, 1987. Under this bill, this date would be extended to January 1, 1990, and be applicable retroactively to January 1, 1987.

Your Committee finds that a total of thirty-one leases have been issued to qualified displaced Milolii-Hoopuloa residents. However, the Department of Land and Natural Resources testified that there are a number of qualified residents who, for bonafide reasons, did not apply or could not determine if they qualified before January 1, 1987. According to the written testimony of Julia Kaupu, a Milolii resident, a total of eleven additional applications have been completed as of February 15, 1989.

Your Committee finds that qualified residents should be given the opportunity to take advantage of the long-term residential leases, and therefore concurs with the intent of this bill.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 279 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 457 Water and Land Use on H.B. No. 691

The purpose of this bill is to improve the State process for leasing private commercial office space for State agencies by transferring the authority of acquiring such office space from the Department of Land and Natural Resources (DLNR) to the Department of Accounting and General Services (DAGS). Under current law, the leasing of private office space is carried out by each State department and approved by the Board of Land and Natural Resources. This process has resulted in inefficiency, lost time, and frustration for building tenants, lessors, and the department staff responsible for coordinating the effort.

This bill proposes to centralize the lease space negotiation, lease space acquisition, and lease document processing functions under DAGS since it is currently responsible for managing State buildings and providing office space to State agencies. As a result of economies of scale, DAGS testified that this bill should result in the following benefits:

1. More uniform quality of office spaces, incidental items provided, and unit costs;
2. Lower overall costs; and
3. More flexibility in meeting the constantly changing needs of agencies.

Your Committee finds that the additional staffing requirements and expenses that would be incurred by DAGS under this bill is included in the Governor's budget request.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 691 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 458 Water and Land Use on H.B. No. 731

The purpose of this bill is to amend the policy provisions that the State shall comply with regarding acquisition of real property for any project or program in which federal or federal-aid funds are used.

Your Committee received testimony from the Department of Land and Natural Resources and the Department of Transportation in support of this measure.

The testimony of the Department of Land and Natural Resources indicated that the changes proposed by this measure are in conformity with federal policies. The testimony of the Department of Transportation indicated the following: (1) the measure would allow the State to acquire property without appraisal for donated property or property with fair market value of \$2,500 or less; (2) the measure would permit the State to accept donation of property after owners are informed of their rights; (3) the measure defines "uneconomic remnant" and "appraisal"; and (4) the measure would make State law comply with the 1987 amendments to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act and assure the continued eligibility for federal funds by the State.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 731 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 459 Water and Land Use on H.B. No. 723

The purpose of this bill is to: (1) formally repeal the authority of the board of land and natural resources to grant exemptions from real property taxes to owners of property who are raising commercial species of trees in quantity sufficient to establish a business in sales; and (2) amend chapter 186 to permit landowners to manage their property to grow trees for commercial purposes by having the Department of Land and Natural Resources recognize, approve, and review their use based on a forest management plan prepared by the landowner.

Your Committee received testimony from the Department of Land and Natural Resources and the Department of Taxation in support of this measure.

The testimony of the Department of Land and Natural Resources indicated that since 1978, all power over real property taxes has been transferred to the county governments by constitutional amendment. The testimony of the Department of Land and Natural Resources further indicated that the Department recognizes the uncertainty faced by landowners who want to be assured that their long-term investments of growing commercial species of trees can be realized at maturity.

The testimony of the Department of Taxation indicated that the measure repeals the yield tax and duties of and references to the Department of Taxation which became inappropriate with the expiration of the eleven year transition period following the transfer of the real property tax functions to the counties in November of 1989. Therefore, the Department of Taxation recommended changing the effective date of the measure to November 7, 1989, the date on which the transfer to the counties is completed.

Your Committee has adopted the recommendations of the Department of Taxation by changing the effective date of the measure from "upon its approval" to November 7, 1989.

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

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 723, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 460 Water and Land Use on H.B. No. 1291

The purpose of this bill is to clarify the existing law regarding the right of transit along the shorelines by amending Section 115-4, Hawaii Revised Statutes, to make the right of transit along the shorelines unconditional.

Your Committee received testimony from the Department of Land and Natural Resources in support of the intent and purpose of the measure. Testimony of the Department and Land and Natural Resources recommended that reference should be made to the shorelines as defined under Section 205A-1, Hawaii Revised Statutes.

Your Committee has adopted the recommendation of the Department of Land and Natural Resources by incorporating the definition of "shoreline" in Section 205A-1, Hawaii Revised Statutes, into Section 115-4, Hawaii Revised Statutes.

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

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1291, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 461 Water and Land Use on H.B. No. 301

The purpose of this bill is to improve the delivery of judicial and law enforcement services in Leeward Oahu by transferring the residential subdivisions of Waikakalua, Waipio Acres, and Mililani Town from the Ewa District to the Wahiawa District. Under current law, court cases which arise within these three subdivisions must be brought to the Ewa District Court in Pearl City, although, geographically, the Wahiawa District Court is much closer to these subdivisions.

This bill would provide several benefits:

1. Residents in the three subdivisions would be able to take advantage of the geographic proximity of the Wahiawa District Court;
2. Judicial workload would be better distributed since the Ewa District Court currently has a heavier workload than the Wahiawa District Court; and
3. Because this boundary change would conform to the geographic division currently set up by the Honolulu Police Department, it should alleviate the jurisdictional concerns that have constantly plagued that Department.

Upon further consideration, your Committee has amended this bill by inserting a purpose clause as a new Section 1. The remaining sections of the bill have been re-numbered accordingly.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 301, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 462 Judiciary on H.B. No. 315

The purpose of this bill is to limit the maximum length of imprisonment to sixty months in a civil contempt proceeding.

Your Committee finds that section 710-1077, HRS, currently empowers the courts to punish civil contempt by imprisonment. However, the statute is silent as to the maximum term of imprisonment thus allowing the courts to determine the length of the term.

Your Committee heard testimony from a Representative of the legal community who has defended clients charged with civil contempt. This testifier stated that safeguards regarding the term of imprisonment are needed because civil contempt proceedings tend to be hostile and generally personal in nature.

This bill amends the current law on imprisonment for civil contempt and limits the maximum length of imprisonment to sixty months.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 315 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 Shon.

SCRep. 463 Judiciary on H.B. No. 335

The purpose of this bill is to conform existing statutory law to the constitutional amendment which raised the limit on jury trials to controversies in excess of \$5,000.

Your Committee heard favorable testimony from a representative of the Judiciary who testified that this measure, which raises the limit on jury trials to controversies in excess of \$5,000 is a housekeeping measure. This bill amends the current statutory law to satisfy the \$5,000 requirement.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 335 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 Shon.

SCRep. 464 Judiciary on H.B. No. 336

The purpose of this bill is to make additional technical amendments to section 560:2-803, HRS, as it relates to probate.

Your Committee heard favorable testimony for this bill from the Honolulu Police Department, whose representative stated that the offense of murder now includes two degrees, and the offense of murder in the second degree under section 707-701.5 has not been included in the probate section of the Hawaii Revised Statutes. This bill amends the current statute to include murder in the second degree. Also, this bill clarifies that the killer is prohibited from profiting by either murder or manslaughter and is not required to accomplish both.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 336 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Shon.

SCRep. 465 Judiciary on H.B. No. 402

The purpose of this bill is to enable the Juvenile Justice Interagency Board to elect its own chairperson.

Your Committee finds that the present statutory provision does not address how the chairperson of the Juvenile Justice Interagency Board is to be selected. Your Committee heard testimony in strong support of this measure from the chairperson of the Juvenile Justice Interagency Board, who stated that the governor currently appoints the chairperson. By amending Section 571D-1, Hawaii Revised Statutes, this proposed measure would provide a clear statutory provision that the board itself is to annually elect a chairperson from among its eleven members.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 402 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 Shon.

SCRep. 466 Judiciary on H.B. No. 553

The purpose of this bill is to amend Section 641-11, Hawaii Revised Statutes, to clarify that in criminal proceedings, appeals from circuit courts to the supreme court shall be in accordance with the Hawaii Rules of Appellate Procedure.

Presently, the statute grants the right of appeal pursuant to the Hawaii Rules of Criminal Procedure. Your Committee finds that in 1984, all provisions regarding rules for appealing a lower court decision were placed into the Hawaii Rules of Appellate Procedure. The intent of this measure is to conform the current statute with the rules of court.

Your Committee received testimony in support of this bill from the Office of the Administrative Director of the Courts and finds this housekeeping amendment to Section 641-11 appropriate.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 553 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 Shon.

SCRep. 467 Judiciary on H.B. No. 560

The purpose of this bill is to raise the filing fee of the Appellate Court from \$50 to \$75.

Your Committee finds that the last time the filing fee of the Appellate Court was raised was in 1957. Given the rate of inflation and the rising demands on court operations, the modest increase from \$50 to \$75 is reasonable. All filing fees are deposited into the State general fund.

Testimony in support of this measure was received from the Office of the Administration Director of the Courts which indicated that this fee raise proposal will reflect more realistically the actual cost of maintaining court operations. The added revenues to the general fund would enable the State to defray that cost and to ensure that the Judiciary is functioning at an optimal level.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 560 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 Hirono.

SCRep. 468 Judiciary on H.B. No. 737

The purpose of this bill is to make technical amendments to subsection (i) of section 286-26, HRS, so that it would conform to the statutory redesignations made by Act 347, session laws of Hawaii 1987.

Your Committee heard favorable testimony from the Department of Transportation on the housekeeping measure, which amends subsection (i) of Section 286-26, HRS, to conform with Act 347, Session Laws of Hawaii 1987. Section 286-

26(i), HRS, makes reference to sections 294-8.5 and 294-12.6 HRS. These sections were repealed by Act 347, Session Laws of Hawaii 1987, and corresponding sections were enacted under the Insurance Code. This bill reflects these changes by substituting the repealed statutory provisions in subsection (i) of section 286-26 with the appropriate sections currently found in the Insurance Code.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 737 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 Hirono.

SCRep. 469 Judiciary on H.B. No. 561

The purpose of this bill is to require a probationer to be placed in custody after arrest for a probation violation.

Your Committee finds that Section 706-626, Hawaii Revised Statutes, authorizes the arrest of a probationer by a police officer or probation officer when there is probable cause that a probation violation has occurred, but does not specify whether such a violation allows for law enforcement agencies to book and process an offender as they would for a criminal offense. Further, law enforcement agencies will not process nor hold a probationer who might be arrested by a probation officer for substantial violations of probation, because Section 706-626(2), Hawaii Revised Statutes, does not indicate whether such a violation is a crime and current law does not specifically allow law enforcement agencies to process and hold such an offender. The amendment requires that the probationer be held in custody after arrest.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 561 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 Shon.

SCRep. 470 Judiciary on H.B. No. 1693

The purpose of this bill is to empower the Attorney General and the County Prosecuting Attorney to compel the appearance of witnesses and the production of documents pertinent to their investigations.

Your Committee received testimony from the Prosecuting Attorney of Honolulu in support of this bill. Your Committee finds from testimony presented that the current law provides that when the attorney general or a designated subordinate determines that an adjudication is more probable than not, the office of the attorney general shall be subject to the relevant rules of court and shall exercise subpoena powers no different than those available to the probable opposing party. The Prosecuting Attorneys are held to the same limitation by virtue of their operating under the authority of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1693 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 Hirono.

SCRep. 471 Judiciary on H.B. No. 151

The purpose of this bill is to amend Section 607-14.7, Hawaii Revised Statutes, to provide that a court shall award a landowner reasonable attorney's fee, costs and expenses incurred by the landowner in successfully protecting the incidental rights of land ownership. Incidental rights of land ownership include the right to be free from any encroachment by landowners of adjacent lands and the right to lateral and subjacent support of land by adjacent lands.

Your Committee received testimony in support of this measure from a concerned member of the public.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 151 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 472 Judiciary on H.B. No. 152

The purpose of this bill is to amend Section 607-9, Hawaii Revised Statutes, to make more explicit those disbursements which may be allowed in the taxation of costs incurred in a suit, action or other legal proceeding. This bill also provides that in determining whether and what cost should be taxed, the court may consider the equities of the situation.

Your Committee received testimony in support of this measure from the Hawaii Association of Plaintiffs' Attorneys.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 152 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 473 Judiciary on H.B. No. 183

The purpose of this bill is to propose an amendment to Article III, Section 6, of the Constitution of the State of Hawaii to require that candidates for offices in the Legislature shall have met all the qualifications for the office at the time of filing their nomination papers.

At the present time, section 6 sets forth certain requirements for eligibility to serve as a member of the Legislature. The proposed amendment would require that candidates meet these requirements "at the time of filing nomination papers."

Your Committee received testimony from the Office of the Lieutenant Governor in support of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 183 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 474 Judiciary on H.B. No. 182

The purpose of this bill is to amend rule 408 of Section 626-1, Hawaii Revised Statutes, to specifically exclude evidence of mediation from admissibility to prove liability for or invalidity of the claim or its amount.

An essential quality of the mediation process is that it reassures disputants that disclosures made in mediation will not be used against them in some future time.

Your Committee finds that the provision for excluding evidence of mediation in a lawsuit will further encourage the use of mediation as a way of informally and expeditiously settling disputes.

While the current statutory provisions relating to the inadmissibility of materials from negotiations may be construed to cover mediations, your Committee finds that a clear statutory mandate that makes evidence of mediation inadmissible will encourage the use of alternative dispute resolution, such as mediation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 182, 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 Shon.

SCRep. 475 Judiciary on H.B. No. 239

The purpose of this bill is to allow the board of directors of a cooperative housing corporation or the manager of a cooperative housing project to conduct background check on applicants seeking employment as security guard or manager or for a position that allows the employee access to the keys of or entry into rooms or access to corporation funds.

The background check requires the applicant to disclose certain information which may be subject to verification through information obtained through the Hawaii Criminal Justice Data Center.

Your Committee received testimony from the Data Center objecting to the added responsibilities to and the expansion of the criminal history record check program that this measure would call for. The added safety to the welfare of the citizenry engendered by this bill overrides the concern of the Data Center which could improve upon its existing programs and correct its own system deficiencies.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 239 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 476 Judiciary on H.B. No. 332

The purpose of this bill is to amend Section 286-41, Hawaii Revised Statutes, to provide for the establishment of a transfer fee payable by the owner of motor vehicles. The fee is assessed for each vehicle owned and transferred to another county and is separate and distinct from the annual registration fee.

Presently, there are many motor vehicles that are registered in one jurisdiction, and transferred to and operated on the roadways of another. The transfer fee would allow for the recovery of a part of the cost of maintenance of the roadways attributable to the transferred vehicle's use.

Your Committee received testimony in favor of this measure from the Maui County Finance Director.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 332, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 477 Judiciary on H.B. No. 339 (Majority)

The purpose of this bill is to more clearly specify the prohibited conduct constituting an election offense; to amend the time period during which campaign activities are prohibited within a specified area surrounding polling places; and to amend the traffic code on sign waving to conform the traffic code to amendments made in the election laws.

Your Committee received testimony from the Honolulu Police Department and is in agreement that traffic safety is a major concern. Activities that engender distractions for motorists would tend to increase the likelihood of traffic accidents.

Your Committee has amended the bill to make non-substantive technical corrections.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 478 Judiciary on H.B. No. 557

The purpose of this bill is to amend section 806-73, Hawaii Revised Statutes, to broaden accessibility of adult probation records to certain out-of-state and federal entities.

Your Committee received testimony in favor of this bill from The Judiciary, State of Hawaii. The Judiciary indicated that State adult probation divisions have experienced problems because the present law unduly restricts the release of information contained in adult probation records to individuals and entities outside of the State adult probation division generating the records. Additionally, in light of the enactment of Act 262, Session Laws of Hawaii 1988, the present law may require amendment to broaden accessibility to adult probation records.

This bill would broaden the accessibility to adult probation records by allowing the release of these records to certain out-of-state and federal probation divisions, courts, and criminal justice and law enforcement agencies.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 557, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 479 Judiciary on H.B. No. 567 (Majority)

The purpose of this bill is to amend the existing law to give Family Courts the authority, under appropriate circumstances, to grant an uncontested divorce without a court hearing.

Your Committee has received testimony in support of this bill from the State Judiciary.

Under the present law, a court hearing is required before any divorce, whether contested or uncontested, may be granted. In uncontested divorce cases, these hearings have usually been pro forma, with only the plaintiff present.

According to the testimony of the State Judiciary, the Family Court of the First Circuit already has in place new procedures which streamline the processing of uncontested divorce cases by giving the plaintiff the option of filing an affidavit with the court in lieu of a court appearance. By this affidavit, the plaintiff attests to the facts which he or she would normally have presented orally in Court. These new procedures have greatly assisted both judges and court staff by expediting the processing of uncontested divorce cases. These new procedures simplify the uncontested divorce process and have made it less expensive for the parties.

Your Committee has amended this bill to provide that while the court may waive a proof hearing in uncontested divorce cases, the court shall require proof upon every point by affidavit, including proof that the marriage is irretrievably broken.

Your Committee also has amended this bill to correct certain typographic, technical, and stylistic errors.

Your Committee is in accord with the intent and purpose of H.B. No. 567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 567, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 480 Judiciary on H.B. No. 566

The purpose of this bill is to amend Chapter 576-37.5 by deleting the requirements that foreign support orders for income withholding be filed with the courts of this State.

Your Committee has received testimony in support of this bill and finds that the filing requirement has unnecessarily delayed income assignment of child support to the custodial parent.

Your Committee further finds that this bill will make the procedure for interstate income assignments of child support consistent with procedures for in-state income assignments.

Your Committee has amended this bill by requiring that the Child Support Enforcement Agency provide the obligor with fourteen days notice of its intent to assign the obligor's wages.

Your Committee has further amended this bill to correct technical drafting errors.

Your Committee is in accord with the purpose and intent of H.B. No. 566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 566, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 481 Judiciary on H.B. No. 754

The purpose of this bill is to amend the Uniform Probate Code to allow the Department of Human Services to recover by informal affidavit process, payments made for funeral services pursuant to section 346-15, Hawaii Revised Statutes.

Your Committee received testimony in favor of this bill from the Department of Human Services. This testimony indicated that under the present law, the informal affidavit process is allowed only for heirs or next of kin of the decedent. The department must proceed through the formal probate process to recover payments made for funeral services pursuant to section 346-15. In fiscal year 1988, the department petitioned the court for recovery for 103 cases for a total maximum recovery amount of \$82,400. This bill will simplify the recovery process.

This bill was amended to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 482 Judiciary on H.B. No. 660

The purpose of this bill is to allow the use of document numbers as well as book and page numbers to identify real property conveyance documents, tax liens, financing statements and other documents which are filed and recorded with the Bureau of Conveyances; to revise the format of documents to be recorded at the Bureau of Conveyances; to simplify the calculation of recording fees; to authorize the Department of Land and Natural Resources to adjust recording fees by administrative rules and to charge a fee for non-attested instruments and for computerized data of the daily entry record; to authorize the registrar to use the names of the parties as they first appear on the document for purpose of the general index; to allow the registrar by written agreement to record documents on the day after the document is delivered to the registrar; and to make gender neutral changes.

The bill, to accommodate the purposes set forth above, amends Chapters 246, 490, 502, 506 and 636, of the Hawaii Revised Statutes. Your Committee finds that this measure will provide consistency in the location of recorded documents in the office of the assistant registrar and in the bureau of conveyances. Furthermore, the use of document numbers will help to alleviate the delays often caused by the use of book and page numbers, currently in use, and will result in cost savings to the State. The bill which amends portions of the current fee structure from a charge per page to a standard fixed charge of \$10.00 will eliminate the need for a clerk to count the number of pages of each instrument to be recorded, and should further help to decrease the delays in the present system.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Bureau of Conveyances and the Escrow Association of Hawaii.

Your Committee has amended the bill by amending Section 9 to require all names of individual signatories to be typewritten, stamped or printed beneath all signatures. The amendment is intended to eliminate the problems of indexing when the signatures are illegible. The bill's effective date in Section 19 was changed to January 1, 1990.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 660 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 660, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 483 Judiciary on H.B. No. 1844

The purpose of this bill is to provide protective services through the Department of Human Services for dependent adults of all ages subject to risks of abuse, neglect and exploitation.

Your Committee finds that in light of the current child abuse crises, there is similarly a growing apprehension of the increasing incidence of abuse and neglect of the adult population, particularly those who are, because of their mental or physical impairment, dependent upon others for provisions of health, safety or welfare.

Current statutes limit the Department of Human Services in investigating reports and in providing services to adults sixty years of age or older. Your Committee finds that it is the individual's dependency status and not age which is the determinant factor. This bill ensures that this "gap group", over eighteen and under sixty years of age, would receive protective services.

Testimony in support of the bill was received from the Queen's Medical Center, the Executive Office on aging, the Director of Human Services, the Director of Health, the Commission on the Handicapped and the Protection and Advocacy Agency of Hawaii.

Your Committee amended the bill to correct various typographical, technical or stylistic errors. Moreover, to monitor the ramifications of this bill, a three-year drop-dead provision was added.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1844, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 484 Judiciary on H.B. No. 1871

The purpose of this bill is to continue the existence of the Criminal Justice Data Interagency Board until June 30, 1993.

Your Committee finds that the Board's purpose, which is to promote interagency cooperation and coordination in the development and management of an accurate, complete, timely, and fully integrated statewide criminal justice information reporting and retrieval system, is as valid now as when the Board was first established and that such a system is an ongoing concern which should be continued. Your Committee received testimony from the Attorney General and the Chair of the Criminal Justice Data Interagency Board in favor of this measure.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1871, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 485 Judiciary on H.B. No. 1823

The purpose of this bill is to transfer the responsibility of transmitting the Criminal Injuries Compensation Commission's annual report and appropriations bill from the Director of Finance to the Director of Corrections. Currently, the report is transmitted to the Director of Finance who in turn transmits it to the Legislature along with a bill to appropriate funds to replenish the Criminal Injuries Compensation Fund. Since the Director of Finance has no input into the report, the report can be transmitted directly from the Department of Corrections to the Legislature.

Your Committee received testimony from the Director of Finance and the Administrator of the Criminal Injuries Compensation Commission in support of this measure.

The bill has been amended to specify that the annual report is based on a fiscal year and that the appropriations request for the following year should be based on a reasonable estimate. The bill has also been amended to specify the reporting and appropriations request requirements for the change over year.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1823, H.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 486 Judiciary on H.B. No. 558

The purpose of this bill is to amend section 560:5-309, Hawaii Revised Statutes, to provide that the Office of the Public Guardian be notified of any pending hearings where the Public Guardian is the proposed guardian on the petition for guardianship.

Your Committee finds that the present law does not require notification to the Office of the Public Guardian even where the petition for appointment nominates the Public Guardian.

Your Committee received testimony in favor of this bill from the State Judiciary, the Commission on the Handicapped, the National Association of Social Workers, Inc. (Hawaii Chapter), and the Chairman of the Community Elder Abuse and Neglect Task Force. This testimony indicated that proper notice will allow the Office of the Public Guardian to investigate appropriate referrals for guardianship and to screen out inappropriate referrals.

This bill was amended to correct certain typographic, technical and stylistic errors; no substantive changes were made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 558, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 487 Judiciary on H.B. No. 1698

The purpose of this bill is to require the Child Support Enforcement Agency to keep confidential all applications and records concerning applicants for support services or recipients of public assistance, and to disclose such records only under certain conditions to authorized agencies, persons, or representatives.

Your Committee finds that the bill would provide for the safeguarding of information and the protection of records. This bill satisfies federal regulations mandating such statutory provisions ensuring continued federal funding.

Your Committee received testimony from the Family Court of the First Circuit, the Director of Child Support Enforcement Agency, and the Family Support Division of the Office of the Corporation Counsel in support of this measure.

This bill has been amended to clarify that when disclosure of information to an authorized representative of a payor or payee is necessary, the request for disclosure must be accompanied by a written request of the payor or payee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1698, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 488 Judiciary on H.B. No. 1695

The purpose of this bill is to allow for the interstate recovery by income withholding order of child support arrears and moneys paid under the Aid to Families with Dependent Children program.

Your Committee received testimony in support of this bill from the Administrator of the Child Support Enforcement Agency and the Office of the Corporation Counsel (County of Hawaii).

Your Committee has amended this bill to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1695, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 489 Judiciary on H.B. No. 133

The purpose of this bill is to amend section 11-212(a), HRS, so that the preliminary report required of each candidate, authorized person in the case of a party, or campaign treasurer in the case of a committee, must be filed no later than on the tenth calendar day prior to each election, rather than on the tenth working day prior to each election as currently set out in the statute.

Your Committee finds the amendment to be appropriate since the current statute requires certain information current through the fifteenth calendar day prior to the election. The proposed change would make the statute internally consistent.

Your Committee has amended this bill to correct technical drafting errors; no substantive changes were made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 133, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 490 Judiciary on H.B. No. 148

The purpose of this bill is to amend Chapter 291C-103 to define an "exhibition of speed" to include but not be limited to excessive acceleration causing a vehicle's tires to screech loudly or lose traction on a public street or highway.

Your Committee received testimony from representatives of the Honolulu Police Department and the State Department of Transportation supporting this bill. This testimony indicated that excessive acceleration adds to the likelihood of automobile accidents and that a clearer definition of "exhibition of speed" will aid in enforcement.

Your Committee also received testimony from a representative of the Office of the Public Defender proposing a definition of "exhibition of speed" that is consistent with that adopted in State v. Spencer, 67 Haw. 95 (1984). The Office of the Public Defender also proposed that the provision for imprisonment for violations of this chapter be deleted because it is inconsistent with the gravity of the offense.

Your Committee has accordingly amended this bill to define an exhibition of speed as an intentional act done to draw the attention of the public to the vehicle by screeching the vehicle's tires in a sudden acceleration. Your Committee has further amended this bill by deleting references to imprisonment and providing for the performance of community service.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 148, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 491 Judiciary on H.B. No. 210

The purpose of this bill is to make privileged all communications and records of communications between a victim of a sexual offense, domestic abuse and child abuse and neglect and the counselor of the victim.

Your Committee has amended this bill by deleting the proposed statutory revisions and providing for the exclusion of the statements of a victim, made to that person's counselor for the purpose of treatment to alleviate the adverse emotional and psychological impact of sexual assault, domestic abuse or child abuse and neglect.

Your Committee has further amended this bill by providing for in camera review of said statements. Upon such review, victim statements may be admissible if they are not related to treatment or therapy, and are related to the facts of the offense complained of or claim before the court.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 210, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 492 Judiciary on H.B. No. 227

The purpose of this bill is to expand the range of scientific testing in the paternity area, by inclusion of the term "blood test" within the ambit of the broader and more generic term "genetic test."

Your Committee has received favorable testimony in support of this measure and finds that the bill will assist in the determination of paternity. Moreover, federal regulation mandates of the Family Support Act of 1988 will be complied with thereby ensuring the continuation and increase of federal funding.

Your Committee has amended this bill to correct technical drafting errors; no substantive changes were made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 227, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 493 Judiciary on H.B. No. 1869

The purpose of this bill is to provide for substantive and procedural changes to the new Uniform Information Practices Act (Modified), Chapter 92F, Hawaii Revised Statutes, to better reflect the legislative intent and to ensure the smooth implementation of the Act, which takes effect on July 1, 1989 (except for Part IV of the Act, which took effect on June 9, 1988). The bill also makes technical and minor housekeeping changes in the Act.

The bill's provisions clearly describe that a person aggrieved by a denial of access to a government record or an individual aggrieved by denial of access to the individual's personal record, may appeal to the Office of Information

Practices or directly and immediately to court. This clarification reflects the legislative intent in Conference Committee Report No. 235 on H.B. No. 2002, Fourteenth Legislature. The bill makes more consistent with each other the appeal procedures for access denied to individuals as to their own personal records, under part III of Chapter 92F and for access denied as to government records about others, under part II of Chapter 92F. The bill emphasizes that an exhaustion of administrative remedies is not required before appealing to circuit court a denial of access to government records.

The bill also provides that administrative review by the Office of Information Practices on an agency denial of access to information or records, or an agency's granting of access, is not a contested case under Chapter 91, Hawaii Revised Statutes. This provision is necessary to comply with the legislative intent behind Chapter 92F, that review by the Office of Information Practices be expeditious, informal, and at no cost to the public. The review is optional in nature and anyone aggrieved by a denial of access to a government record, under either part II or III of Chapter 92F, may appeal immediately to court for a full evidentiary hearing. An explicit statutory exemption from the contested case will serve to avoid future challenges to the administrative procedures of the Office of Information Practices for failure to have contested case hearings.

The bill also sets a time limitation of ninety days within which a person can bring a civil action to compel disclosure of a government record after denial of a request for disclosure. For consistency, the bill also sets a ninety-day limitation for civil actions by individuals denied access to their own personal records, in place of the two-year limitation previously designated. Under this bill, a ninety-day time limitation also applies to the filing of an appeal to the Office of Information Practices concerning denial of access to a government record.

Furthermore, this bill clarifies the rule making authority of the Office of Information Practices and also instructs the Office of Information Practices to adopt rules pertaining to the disclosure of records for research purposes. The bill also clarifies that the placement of the Office of Information Practices within the Department of the Attorney General is strictly for administrative purposes. This is to emphasize the legislature's intent that the Office shall operate independently. The bill also authorizes the Office of Information Practices to recommend criminal prosecution.

Your Committee has amended the bill to codify a schedule for the progressive completion by all agencies of their respective public records reports required under Chapter 92F. The bill had provided that the agencies file their public record reports on or before July 1, 1991, in accordance with a schedule developed by the Office of Information Practices. Your Committee finds that this extended filing deadline of July 1, 1991, is necessary to allow the important development of a computer-automated records report system, which will serve as the cornerstone of open government. However, your Committee believes that a statutory schedule may more strongly encourage agencies to complete their records report in a timely manner in order to meet the July 1, 1991 deadline.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1869, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger, Cachola, Hirono, Peters, Yoshimura and Cavasso.

SCRep. 494 Judiciary on H.B. No. 1707

The purpose of this bill is to include Schedule V controlled substances in the definition of "drug" as used in the offense of driving under the influence of drugs.

Schedule V controlled substances is defined in Section 329-22, Hawaii Revised Statutes, and includes medicine which contain limited quantities of narcotic drugs including codeine, dihydrocodeine, ethylmorphine, diphenoxylate, opium and buprenorphine.

The current driving under the influence of drugs statute is limited to Schedule I through IV controlled substances. Your Committee finds that the drugs listed under the Schedule V controlled substances have a similar effect on an individual's behaviour as the controlled substances listed in Schedules I through IV, and may similarly impair the individual's ability to operate a motor vehicle in a careful and prudent manner.

Testimony in support of the bill was heard from the Office of the State Attorney General and the Department of Transportation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1707 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 Hirono.

SCRep. 495 Judiciary on H.B. No. 351

The purpose of this bill is to amend sections 707-705 and 707-706, HRS, to redefine the offenses of negligent injury in the first and second degree as either serious or substantial bodily injury caused by the operation of a motor vehicle in a negligent manner while under the influence of drugs or alcohol.

The intent of this measure is to underscore the seriousness of operating a motor vehicle while under the influence of drugs or alcohol. Your Committee finds that strong measures are needed to protect the public and to serve as deterrence to those who engage in such behavior which results in bodily injury or death to others.

Your Committee has amended the bill by making technical, nonsubstantive amendments for purpose of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 351, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 351, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Shon.

SCRep. 496 Judiciary on H.B. No. 181

The purpose of this bill is to: a) make the files of a mediator and communications made in the presence of a mediator in a mediation confidential, and not subject to disclosure in any present or subsequent judicial or administrative proceeding; b) make mediations confidential and closed to the public; and c) allow a mediator to petition for an ex parte hearing to determine whether there is a duty to disclose facts discovered during the course of a mediation.

Your Committee received favorable testimony from the Judiciary whose representative stated that mediation is an integral part of the Judiciary's overall ADR strategy and has major implications in the courts as well as certain complex public interest and public resource cases.

Your Committee has amended this bill by excluding from this chapter communications made in furtherance of a crime or act of fraud.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 181, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 181, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Shon.

SCRep. 497 Agriculture on H.B. No. 1259

The purpose of this bill is to exempt imported eggs which are intended for hatching or sale as balut from individual origin marking requirements.

Your Committee received testimony in support of this bill from the Asagi Hatchery, Inc., the Hawaii Fryer Council, and the Department of Agriculture. The testimony indicated that the section 147-75 marking requirements were intended to protect the local table egg industry. The table egg industry only produces infertile eggs and would only be affected by the import of infertile eggs.

Hawaii currently imports over two and a half million fertile hatching eggs each year for use by the broiler industry. In addition, fertile hatching eggs are also imported for use as balut, an ethnic delicacy. Because fertile imported eggs have no effect on the local table egg industry, these eggs need not be covered under the present marking requirements.

Your Committee also received testimony in support of this bill from the Department of Agriculture. The department's testimony indicated that because eggs imported for use as balut are handled in a special manner controlled by Federal and State regulations, these eggs need not be covered under the marking provisions of Section 147-75.

Your Committee agrees that Section 147-75 was enacted to protect the local table egg industry. While your Committee continues to support the need to protect the local table egg industry, it finds no conflict in eliminating the marking requirements for fertile eggs imported for use as balut.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1259 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 498 Agriculture on H.B. No. 1205

The purpose of this bill is to amend Section 147-76, Hawaii Revised Statutes, to delete the requirement that in advertisements for eggs the size of the typeface used in designating grade, size, geographic origin, and shell treatment must be at least one-half the size of the typeface used to designate the price.

Your Committee received testimony in favor of this bill from the Hawaii Food Industry Association and the Board of Agriculture. This testimony indicated that eggs are the only commodity which requires that designations of grade, size, etc. be in a typeface one-half the size of the typeface used to designate the price. Attempts by persons in advertising to understand and comply with these designation requirements have been futile; just about every supermarket in Hawaii has been cited for violation of these requirements.

Although your Committee agrees that advertising designations must be a part of required consumer information, your Committee finds that it is restrictive for these designations to be set by statute.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1205 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 499 Agriculture on H.B. No. 399

The purpose of this bill is to amend section 159-15, Hawaii Revised Statutes, to provide for the acceptance of other forms of surety in addition to bonds from persons seeking licensure to slaughter animals for the purpose of using the meat or meat products thereof in intrastate commerce.

Your Committee received testimony in favor of this bill from the Department of Agriculture. This testimony indicated that it has become increasingly expensive for slaughterers to obtain the required \$5,000 performance bonds because surety companies are finding that the sale of these bonds is not cost effective. Many slaughterers have offered alternate forms of surety such as:

- (1) Certificates of Deposits for \$5,000 with the Department of Agriculture (DOA) as joint owners;
- (2) Special saving accounts of \$5,000 with the (DOA) as joint owners; and
- (3) Money Market Savings with special instructions that no withdrawals be allowed without the DOA's loan officer's approval. (\$5,000 is held in lieu of a bond in favor of the DOA.)

This bill would allow for alternate forms of surety without compromising the public interest for the protection and safety of food products.

Your Committee has amended this bill to provide that acceptance of any particular surety under section 159-15 will be decided by the board or an appropriate agent, officer, or employee designated by the board.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 399, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 500 Agriculture on H.B. No. 398

The purpose of this bill is to amend Sections 144-8 and 144-11, Hawaii Revised Statutes, to prohibit feeding of adulterated feed to animals, to allow the Department of Agriculture to recall adulterated or misbranded feed, and to assure that the cost of recall or destruction of the adulterated feed is not borne by the State.

Your Committee received testimony in support of this bill from the Department of Agriculture. This testimony indicated that present law does not give the Department of Agriculture the authority to prevent the distribution or usage of feed which is in the possession of a final user and which has been tested and found to be adulterated. The present law also does not specify who pays the cost of disposing recalled feed.

Your Committee finds that the provisions of Sections 144-8 and 144-11 which control and prohibit the use of adulterated feed currently apply to people who manufacture and distribute the feed. This bill extends the application of the foregoing provisions to final users.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 398, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 501 Agriculture on H.B. No. 1198

The purpose of this bill is to ensure the effective control of agricultural pests in this State by authorizing the Department of Agriculture (DOA) to enter private property, with proper notice, for eradication purposes. Under this bill, the DOA would establish criteria and procedures for the designation of such pests, including emergency rules in case of an incipient infestation.

Your Committee heard testimony from the DOA that this bill will provide the mechanisms and procedures needed to: (1) establish control or eradication programs, (2) enter private property to control or eradicate any pests, and (3) establish by rule, the criteria and procedures for the designation of pests for control or eradication. Your Committee also heard testimony that this bill clarifies the degree of control, including emergency responses, and identifies the kinds of pests and the kinds of agents which may be used for pest control.

Your Committee believes that to ensure the future of Hawaii's agricultural developments, the DOA must be able to enter private property with proper notice to control or eradicate pests. A successful control program cannot be maintained when isolated parcels of land remains untreated.

Your Committee has amended this bill by deleting the word "insect" on page 1, line 14. The title of the proposed Section 141- would then read: "Entry of private property to control or eradicate any pest".

Your Committee has further amended this bill to correct technical drafting errors.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1198, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 502 Agriculture on H.B. No. 693

The purpose of this bill is to amend Sections 155-5, 155-6, and 155-8, Hawaii Revised Statutes, to include new farmer program loans in the provisions pertaining to the participating loans program, the insured loans program, and the direct loans program conducted by the Department of Agriculture.

Your Committee received testimony in support of this bill from the Department of Agriculture.

Your Committee has amended this bill by deleting Section 4 which amended Section 155-9, Hawaii Revised Statutes, as it has been determined that the proposed amendments do not follow the prescribed format for statutory language.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 693, as amended herein, and recommends that it pass Second Reading in form attached hereto as H.B. No. 693, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 503 Planning, Energy and Environmental Protection on H.B. N. 166

The purpose of this bill is to give the Environmental Council authority to issue declaratory orders regarding environmental assessments and notices of determination.

Under Chapter 91, Hawaii Revised Statutes, the Environmental Council should have the right to issue a declaratory ruling or order as to the applicability of any statutory provision or of any rule or order of the agency. However, based on recent experience whereby the Council has been advised by the Attorney General's office that it cannot respond to a petition on the applicability of its rules, the proposed amendment is sorely needed.

Your Committee finds that the Council already has the authority to approve or disapprove proposed agency lists of actions which do not require an environmental assessment. Hence, it is appropriate that the Council have explicit authority to rule which agency actions require an environmental assessment and notice of determination. This bill would provide for a less time consuming and less expensive alternative to lawsuits when there is a dispute or question over the applicability of Chapter 343, Hawaii Revised Statutes.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 166 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 504 Planning, Energy and Environmental Protection on H.B. No. 167

The purpose of this bill as received is to prohibit any state or county agency from purchasing or otherwise obtaining plastic packaging unless the packaging is degradable.

Your Committee heard considerable testimony in favor of the intent of this and similar bills relating to plastic and packaging to minimize the use of nondegradable plastic and packaging to reduce its accumulation in landfills and to protect our environment and marine and wildlife. In view of concerns expressed by others testifying, however, your Committee has amended the bill as follows:

- (1) By deleting the definition of "degradable" and adding the definition of "food service";
- (2) By deleting, in subsection (b), the word "plastic" before the word "packaging" and adding after the word "degradable" the following: "reusable, recyclable, or combustible in an energy resource recovery system in an environmentally safe manner";
- (3) By redesignating subsection (c) as (f) and inserting after the word "section" the following: "or any rules adopted pursuant to this section";
- (4) By adding a new subsection (c) to prohibit a state or county agency from purchasing or obtaining packaging that is manufactured with fully halogenated chlorofluorocarbons;

- (5) By adding a new subsection (d) that prohibits any food service from providing or serving at a state or county function or facility food or beverage unless in packaging that is degradable, reusable, recyclable, or combustible in an energy resource recovery system;
- (6) By adding a new subsection (e) requiring the director of health to adopt rules to carry out the purposes of the new law, including rules for determining degradability of a particular type of packaging, and allowing for exceptions under certain circumstances; and
- (7) By changing the effective date from January 1, 1990, to January 1, 1992.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 167, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 505 Planning, Energy and Environmental Protection on H.B. No. 160

The purposes of this bill as received are to: (1) amend §205-4.5, HRS, by excluding the harvest of products of native forests from the permitted uses of agricultural lands classified as A or B; and (2) amend §343-5, HRS, to modify the requirements for environmental assessments. The bill also makes a technical amendment to §343-5, HRS, by deleting the brackets surrounding "(8)" introducing paragraph (8) of subsection (a) of that section.

Your Committee finds that there is a need to more accurately reflect the reality of potential environmental impacts in sensitive areas not presently covered by statute. While testimonies received were generally in support of the intent of this bill, there were serious concerns raised over some particular provisions. Your Committee has therefore amended the bill as follows:

Section 1 of the bill, amending §205-4.5, HRS, and the proposed paragraph 343-5(a)(9), HRS, in Section 2 have been deleted. While your Committee strongly endorses the concept of protection of native forests these amendments appear vague and may lead to significant negative impacts for environmentally sound practices of planting native species on agricultural lands.

A new section, amending the definition of "action" in §343-2, HRS, has been inserted and designated as Section 1. The amendment would specify that the definition of "action" includes agency rules or plans which clearly direct activities with potential environmental impacts. Your Committee finds that management plans or the promulgation of agency rules may significantly affect natural resource developments or other environmentally sensitive land use management procedures. Such actions should be subject to environmental assessment when implementation of the plans or rules may significantly modify the environment. In accordance with this amendment Section 2 has been further amended by deleting the proposed paragraph §343-5(h).

Section 2 of the bill has been further amended by deleting the phrase "shoreline area as defined in section 205A-41" in paragraph (3) of the existing §343-5(a)(3), HRS, since the proposed amendment to paragraph (3) would cover this area.

Section 2 has been further amended by deleting the proposed amendments to paragraph (6) of the existing §343-5(a)(6), HRS. Your Committee finds that interpretations have accurately reflected the intent of this category and that the proposed amendments appear to be vague.

Your Committee has also made amendments for the purposes of clarity and consistency.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 160, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 506 Planning, Energy and Environmental Protection on H.B. No. 171

The purpose of this bill as received is to prohibit retail food establishments from selling, giving, or providing food or drink directly to the consumer unless the food or drink is placed, wrapped, or packaged in reusable, recyclable, or degradable packaging.

Your Committee heard testimony both in favor and in opposition to the bill. Your Committee has amended the intent of the bill substantially to prohibit any food or other retail establishment from giving, providing, or selling plastic packaging to any customer for containing or carrying any purchased items unless the customer receives written notification as to whether the packaging is or is not degradable, reusable, recyclable, or combustible in an energy resource recovery system in an environmentally safe manner. Your Committee has amended the bill further by:

- (1) Restructuring the bill to add a new section to the Hawaii Revised Statutes instead of a new chapter;
- (2) Deleting the definitions contained in the bill;
- (3) Requiring the director of health to adopt rules that define major terms and address the means of effecting the notification requirement;

- (4) Amending the penalty provision to apply to the owner of the food or other retail establishment; and
- (5) Changing the effective date from January 1, 1990 to January 1, 1992.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 171, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 507 Planning, Energy and Environmental Protection on H.B. No. 1907

The purpose of this bill is to allow the Director of Health to provide grants to enforce litter laws and to conduct public education programs, as funds are available. The bill also removes the responsibility of studying available research in the field of the recycling of litter from the duties of the Director of Health.

Your Committee received testimony from the Department of Health supporting the intent of this bill. However, the Department was concerned about the removal or recycling issues from Chapter 339, Hawaii Revised Statutes. While litter has been effectively reduced by over fifty percent during the past ten years, much more work is needed, particularly in terms of more effective enforcement and public education. In addition, there are many educational programs that can be utilized for the general public and school populations that will promote more effective actions for a clean environment.

Your Committee has amended this bill by deleting references to removing responsibilities of studying available research in the field of the recycling of litter from the Director of Health. Recycling is an important issue, which should not be removed from Chapter 339, Hawaii Revised Statutes.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1907, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 508 Economic Development and Hawaiian Affairs and Intergovernmental Relations on H.B. No. 1835

The purpose of this bill is to amend The Hawaii State Planning Act, Chapter 226, Hawaii Revised Statutes, to more explicitly delineate the priorities of the State for investment in Hawaii.

Your Committees find that Chapter 226, Hawaii Revised Statutes, is the primary policy document of the goals, objectives and priority guidelines for the State. The proposed amendments would enable the State to maintain a balanced perspective on economic development by encouraging desirable investments and activities and discouraging undesirable investments and activities.

Your Committees received testimony from the Office of State Planning, the Department of Business and Economic Development, the Department of Labor and Industrial Relations, and the Housing Finance and Development Corporation in support of this measure.

Your Committees on Economic Development and Hawaiian Affairs and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1835 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 509 Economic Development and Hawaiian Affairs on H.B. No. 849

The purpose of this bill is to allow banks and savings and loan associations to make venture capital investments or investments in a professional investor whose majority of assets consists of venture capital investments.

Your Committee received testimony from the department of commerce and consumer affairs requesting the Committee to amend the bill to lower the maximum amounts which may be invested in any one entity and in all entities in the aggregate. This would reduce the loss exposure to the banks and savings and loan associations. Your Committee has therefore amended the bill to reflect this change.

Your Committee finds that lack of venture capital has hampered business development in Hawaii. This bill would help to improve the availability of venture capital by allowing banks and savings and loans to make such investments. Your Committee intends that these financial institutions continue careful fiduciary review of all investments to protect depositors.

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

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 849, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 510 Economic Development and Hawaiian Affairs on H.B. No. 886

The purpose of this bill is to increase the membership of the Hawaiian Homes Commission from eight to nine seats by adding a new commissioner from the county of Hawaii. Presently, Section 202 of the Hawaiian Homes Commission Act, 1920, as amended, authorizes the appointment of one member from the county of Hawaii.

Your Committee heard testimony from the Department of Hawaiian Home Lands and beneficiary groups in support of this measure.

Of the approximately 187,413 acres of Hawaiian home lands, 107,883 acres are situated within the county of Hawaii. One commissioner currently services approximately 1,500 homestead leaseholds. In comparison, there are three commissioners serving approximately 2,400 homestead leaseholds on the island of Oahu. The Department expects to increase the number of homestead leaseholds on the island of Hawaii.

Your Committee is in agreement that an additional commissioner from the county of Hawaii will provide for a more equitable balance of representation. Additional representation will further provide beneficiaries on the island with increased access to the Commission.

Your Committee has amended this bill to specify that of the two commission seats from the county of Hawaii, one member be from east Hawaii and one member from west Hawaii. This designation will insure that adequate representation is afforded to beneficiaries on both sides of the island.

Your Committee has further amended the bill to specify the amendment of Section 26-17, Hawaii Revised Statutes, to reflect the appointment of the additional commissioner.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 886, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 511 Health on H.B. No. 1197 (Majority)

The purpose of this bill is to add qualifications to the Director of Health position described in Section 26-13, Hawaii Revised Statutes.

Your Committee received testimony from the Department of Health which opposed the new language which they felt limited the pool of available applicants and from the Hawaii Federation of Physicians and Dentists, the Hawaii Psychological Association, and the Hawaii Medical Association in support.

Your Committee finds that the Director of Health deals daily with a myriad of complex and technical health related issues and that it is imperative that the Director has adequate training and/or experience to understand, evaluate, and act on these issues. Your Committee finds further that the experience required by this bill is sufficiently broad to encompass individuals with a wide range of experience. It does not require any specific degree and the experience requirement is only five years. Your Committee finds that these requirements constitute desirable minimum qualifications and should not unduly limit the pool of potential applicants.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1197 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 512 Health on H.B. No. 717

The purpose of this bill is to provide sick leave benefits to Hansen's disease patients participating in the Patient Employment Program at Kalaupapa.

Your Committee received testimony from the Department of Health and the Commission on the Handicapped in support of this measure. Your Committee finds that the Office for Civil Rights, acting on a complaint, found that the Department of Health was out of compliance with Section 504 of the Rehabilitation Act of 1973 because patient employees residing at Kalaupapa were not granted sick leave benefits. Your Committee finds that amending Section 326-22, Hawaii Revised Statutes, is necessary to bring the Department of Health into compliance with this Federal statute and will allow the Department desirable flexibility in determining and implementing other substantive items in their ongoing negotiation with the Office for Civil Rights.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 717 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 513 Health on H.B. No. 261

The purpose of this bill is to amend Section 457B-3.1, Hawaii Revised Statutes, to exempt an applicant for the nursing home administrator's licensing examination from the requirement of having a baccalaureate degree upon the demonstration of substantial competence, capability, and experience in nursing home administration.

Your Committee heard testimony in favor of this bill from the Board of Examiners of Nursing Homes, the Hawaii Long Term Care Association, the Department of Human Services, and various nursing home consultants.

Your Committee finds that many other states have alternatives to the baccalaureate degree requirement for taking the nursing home licensure examination. Your Committee notes that the exemption provided by this bill replaces the degree requirement with a substantial alternative of ten years of experience as an assistant administrator in a nursing home in Hawaii and five letters of recommendation from currently licensed administrators. The exemption merely entitles an individual to sit for the examination; it does not exempt anyone from the examination requirement.

The organizations testifying estimated that approximately twenty individuals would be affected by the proposed amendment and that this would increase the pool of potential applicants for administrative positions. This increase is highly desirable since there is a projected need for more nursing home beds in the near future and new federal regulations require that administrators of these facilities be licensed.

Your Committee notes that concern was raised regarding the constitutionality of the requirement that work experience must be gained in the State of Hawaii in order to satisfy the exemption requirements. As a response to the concern expressed, your Committee has amended this bill by adding a severability clause.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 261, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 514 Finance on H.B. No. 762

The purpose of this bill is to fund a statewide respite program for family caregivers to be expended by the Executive Office on Aging.

Your Committee finds that many elderly people prefer to remain in their home environment as long as possible even when illness requires constant attention. Many family members are willing to give of their time and energy to provide the required care to enable their relatives to remain at home. However, the care required can often lead to burnout particularly when the caregiver has no respite. When this happens, it may become necessary to place the elderly relative in an institution at greater cost and often in a place in which the person is not comfortable.

Your Committee received testimony from the Executive Office on Aging, many agencies which have members who require caregiving, and from a caregiver all in favor of this measure. The Executive Office on Aging pointed out that the most widely repeated request for assistance among caregivers is for temporary respite from caregiving duties.

The bill was amended by changing the fiscal year for the appropriation from 1988-1989 to 1989-1990.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 762, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 515 Finance on H.B. No. 1179

The purpose of this bill is to delegate authority to the Department of Health to recruit and hire personnel to fill vacancies within the County/State Hospitals Division.

Your Committee finds that the County/State Hospitals Division has been delegated substantial authority with regard to the administration of its human resources program, especially in the area of recruitment. As an example, the County/State Hospitals Division has been delegated the authority to certify registered professional nurse applicants to lists of eligibles, which has permitted the County/State Hospitals Division to obtain eligible lists on a more timely basis. Additionally, the County/State Hospitals Division has been delegated the authority to approve provisional and temporary-appointments-outside of list for registered nurses, so that newly hired nurses can enjoy additional benefits while awaiting certification.

Your Committee finds that the delegation of staff recruitment and hiring functions to the Department of Health, County/State Hospitals Division will further facilitate the administration of its human resources program.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1179, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 516 Finance on H.B. No. 1029

The purpose of this bill is to make technical amendments to Act 200, Session Laws of Hawaii 1987, which granted the Kapiolani Health Care System access to tax-exempt financing through special purpose revenue bonds.

Specifically, these changes:

- (1) Identify Kapiolani Medical Center for Women and Children and not Kapiolani Health Care System as the obligated party; and
- (2) Clarify that a certificate of need will be required only for those projects, which fall under the purview of Title 11, Chapter 186, the administrative rules governing the certificate of need process.

Your Committee finds that these technical amendments are consistent with the legislative intent expressed during the 1987 Session and substantially reduce the legal fees associated with the issuance of future bonds authorized under this Act, thereby preventing unnecessary additional costs to patients.

Your Committee received testimony in support of this bill from the Chief Financial Officer and Vice President of Finance for the Kapiolani Health Care System.

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

Your Committee on Finance is in accord with the intent and purposes of H.B. No. 1029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1029, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 517 Higher Education and the Arts on H.B. No. 811

The purpose of this bill is to amend Section 304-31 of the Hawaii Revised Statutes to indicate the correct site for the Waikiki Aquarium.

Your Committee heard testimony in support of the bill from the University of Hawaii. This testimony indicated that the site now described in Section 304-31 is the site of the old Honolulu Aquarium which was built in 1904. The Waikiki Aquarium, constructed in 1955, is in a different location.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 811 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 518 Higher Education and the Arts on H.B. No. 741

The purpose of this bill is to amend subsection (c), chapter 304-4 of the Hawaii Revised Statutes, by adding a provision to the existing tax dependency criteria for in-state tuition qualifications for Hawaii students whose parents are separated or divorced and living in another state.

Your Committee heard testimony in support of the bill from the University of Hawaii and from parents of students who would be affected by the bill. The testimony indicated that the university recognizes that some students who meet all other residency criteria are judged to be nonresidents for tuition purposes because they are claimed as a dependent for tax purposes by a separated or divorced parent who has moved out of the State. The University strongly supports the bill because it would correct this unfair situation.

Your Committee has amended the bill so that it takes effect immediately upon enactment.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 741, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 519 Higher Education and the Arts on H.B. No. 543

The purpose of this bill is to amend Section 103-8, Hawaii Revised Statutes, to allocate for the acquisition of works of art one percent of all appropriations for major renovation of existing buildings of \$100,000 or more.

Under present law, one percent of appropriations for the original construction of any state building is allocated for the acquisition of works of art. The state agencies and departments are responsible for informing the State Foundation on Culture and the Arts of the one percent amount set aside from appropriations and the amount actually expended for construction.

Your Committee heard testimony from the Department of Accounting and General Services in support of the intent of the bill. The Department recommended amending the bill to include one percent of all capital improvement appropriations and to create a revolving fund for the deposit of the one percent of appropriations.

Your Committee has amended this bill by adopting the recommendations of the department.

Your Committee has further amended this bill to correct certain typographic, technical, and stylistic errors.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 543, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 520 Health on H.B. No. 715

The purpose of this bill is to eliminate the "sunset" date of the current statute and allow for an alternative to current proof of immunity.

Your Committee heard testimony from the Department of Health and the Commission on the Handicapped in support of the bill. Your Committee finds that screening for rubella is still necessary in order to avoid congenital rubella syndrome which leads to death or malformation of the fetus. Despite the fact that an effective vaccine has been available since 1968, the Department testified that there was still a rate of approximately ten percent of female marriage license applicants in 1987-88 who were susceptible. The Department said that they attempt to reach all of these women with educational materials and encourage them to be vaccinated; this approach has resulted in a low rate of congenital rubella syndrome in Hawaii. Your Committee finds that continuation of this control program is worthwhile and that the amendment to the statute to permit laboratory evidence of immunity is a sensible addition to the program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 715 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 521 Water and Land Use on H.B. No. 1001

The purpose of this bill is to amend Act 5, Session Laws of Hawaii 1987, by clarifying that resident lessees participating in Kahana Valley State Park's interpretive programs will be considered volunteers rather than State employees.

One of the policies of the "living park" concept approved by the Board of Land and Natural Resources in June of 1988 requires each resident lessee household to provide twenty-five hours of service per month in interpretive program activities. In establishing Act 5, Session Laws of Hawaii 1987, it was neither the intent of the State nor the desire of the residents for resident lessees to become employees of the State. As volunteers, the lessees will still be entitled to all insurance coverage normally available to State volunteers including workers' compensation.

Your Committee has amended this bill to clearly define that in exchange for the State's long-term leases, all qualified persons agreeing to be an essential part of the interpretive programs in Kahana Valley State Park as directed by the Department of Land and Natural Resources shall provide services in the interpretive program activities pursuant to this Act as volunteers and not as employees of the State.

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

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 522 Water and Land Use on H.B. No. 518

The purpose of this bill is to amend Section 58-4, Hawaii Revised Statutes, to include "trees of value to a neighborhood or community" under county protective regulations.

Your Committee finds that under present law, "exceptional trees," that is, trees with historical or cultural value, or which by reason of its age, rarity, location, size, esthetic quality, or endemic status, have been designated to be worthy of preservation. This bill offers similar protection to a tree or grove of trees which enhances the quality of life in a park, along a roadside, or at sites within a particular neighborhood or community.

The original bill also amended the title and composition of the County Arborist Advisory Committees and redefined the powers and duties of committee members. Testimony received from the Department of Land and Natural Resources, the City and County Department of Parks and Recreation, the County Arborist Advisory Committee, and the Outdoor Circle objected to these amendments.

First, the proposed committee make-up would usurp the admirable work presently being done by the County Arborist Advisory Committee. Furthermore, the removal of the County Planning Director from the committee was questioned since the knowledge of his office would be considerably helpful to the committee in executing their powers and duties. Secondly, although the intent of the bill was supported, there was much concern of burdening this volunteer committee with an overwhelming mass of actions required by the amendments.

Upon further consideration of the aforementioned concerns, your Committee has made the following amendments to this bill:

1. Retaining the original language of Sections 58-1, 58-2, and 58-3, Hawaii Revised Statutes;
2. Deleting "which in the judgment of the committee" from the definition of "trees of value to a neighborhood or community" and adding this definition to Section 58-4, Hawaii Revised Statutes;
3. Deleting "and community" from the review process on page 4, line 1; and
4. Replacing "or" with "and" on page 4, line 2.

Your Committee finds that this bill, as amended, retains the powers, duties and integrity of the County Arborist Advisory Committees manifested in Chapter 58, Hawaii Revised Statutes. Although this bill, as amended, increases the scope of the counties' responsibilities, it allows each county to enact their own appropriate protective regulations, review processes and injunctive relief provisions. Most importantly, this bill, as amended, establishes the mechanism by which all trees of value may be protected.

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

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 518, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 518, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 523 Planning, Energy and Environmental Protection on H.B. No. 27 (Majority)

The purpose of this bill is to exclude golf courses and driving ranges as permitted uses on agricultural lands classified as C, D, or E, and to require that such uses go through the special permit process.

The State Constitution urges the protection of agriculture land, and the disposition of agriculture lands is an important statewide interest. Your Committee strongly supports this constitutional mandate.

Act 298 passed by the Legislature during the 1985 legislative session, permitted the establishment of golf courses and golf driving ranges within agricultural districts on lands classified C, D, and E by the Land Study Bureau. Your Committee finds that since the enactment of Act 298, events have shown that allowing golf courses and golf driving ranges as permitted uses in agricultural districts can lead to the displacement of bona fide farming operations.

Your Committee believes that agricultural lands having poor quality or marginally productive soils should be made available for other productive uses, such as golf courses and golf driving ranges. However, your Committee feels strongly that golf courses and golf driving ranges should not come at the expense of productive or potentially productive agricultural lands. The disposition of agricultural lands is an important statewide interest. If there is a potential for the loss of productive or potentially productive agricultural lands, your Committee feels that the issue should be addressed by an appropriate State agency, such as the Office of State Planning. If such a potential exists, the county planning commissions' decision should be subject to approval by the Land Use Commission. If no productive or potentially productive agricultural lands are involved, your Committee feels that the decision to issue or not to issue special permits for golf courses and golf driving ranges should be handled at the county level.

Under the present law, your Committee is concerned that under certain conditions no public hearing on either the State or County level may be required prior to the development of a golf course or golf driving range. Your Committee is further concerned that lower quality or lesser productive lands in the agricultural district may be reclassified as an urban district for the purpose of developing golf courses or golf driving ranges and thus be subject to additional urban uses such as housing or commercial operations. Your Committee is further concerned with the lack of a uniform review of procedures between and among the county planning commissions of the State.

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

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

SCRep. 524 Planning, Energy and Environmental Protection on H.B. No. 25 (Majority)

The purpose of this bill is to establish shoreline setbacks along waterfront lands in the urban districts at forty feet and to establish setbacks of three hundred feet for those lands not classified as urban. This bill also clarifies and amends various sections in the Coastal Zone Management Law.

Your Committee finds that there is an immediate need to preserve Hawaii's remaining undeveloped coastal open space. Chapter 205A, HRS, Coastal Zone Management, explicitly states that it is of paramount importance to preserve and protect this state's valuable coastal resources. As such, the Legislature has established special controls on developments within the area along the shoreline to avoid permanent losses of valuable resources and the foreclosure of management options.

Currently, there is tremendous pressure to turn all of Hawaii's developable coastline into a wall of residential and tourist dwelling and lodging units. Your Committee further finds that none of the counties have used their statutory authority to move the shoreline setback line further inland than the minimum required by state law. Moreover, the counties have not been able to systematically use the special management area use permit process to effectively protect coastal open space unless private developers have voluntarily offered extra shoreline setbacks. However, the counties have been able to deny permits for shoreline setback variances because of the stringent legal test that hardship be shown or that development clearly be in the public interest. Thus, your Committee finds that expansion of shoreline setbacks would help to ensure the protection of valuable coastal areas, especially those areas which have failed to receive adequate protection under the special management area use permit process.

While your Committee endorses the intent of this bill insofar as it relates to the expansion of shoreline setbacks, your Committee feels that this bill is the inappropriate vehicle in which to address the other provisions relating to clarifications of Chapter 205A. As such, your Committee has amended this bill by deleting all sections not relating to the expansion of shoreline setbacks.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 25, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 25, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kanoho.
(Representatives Bunda, Hashimoto and Say did not concur.)

SCRep. 525 Ocean and Marine Resources on H.B. No. 212 (Majority)

The purpose of this bill is to amend Section 188-46, Hawaii Revised Statutes, to make it unlawful to have any fish or animal bait in any fishing boat within the waters off the coast of South Kona, island of Hawaii, between the Kiilae-Keokea boundary and the Kapua-Kaulanamauna boundary.

The present Section 188-46, Hawaii Revised Statutes, prohibits any person at any time from fishing for or taking, or engaging in fishing or taking opelu with fish or animal bait within the specified boundaries, except with hook and line.

Your Committee agrees with the Department of Land and Natural Resources that this bill should be clarified so as not to contradict the existing wording of Section 188-46, Hawaii Revised Statutes, which allows the use of fish or animal bait when hook and line fishing for opelu. Accordingly, your Committee has amended this bill by adding on line 9 the phrase "with lift net aboard".

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 212, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger and Kanoho.
(Representative Hiraki did not concur.)

SCRep. 526 Ocean and Marine Resources on H.B. No. 1911

The purpose of this bill is to amend Section 188-35, Hawaii Revised Statutes, to delete language which allows the taking of any fish at any time in certain designated waters of the State and to delete provisions pertaining to the regulation of fishing in Kailua Bay, Hawaii, as fishing in that bay is already regulated by Chapter 52 of the Hawaii Administrative Rules of the Department of Land and Natural Resources.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources. This testimony indicated that under Section 188-35, Hawaii Revised Statutes, "any person may at any time fish or take any fish" in certain designated waters in the State. This provision conflicts with existing law and administrative rules pertaining to conservation matters, including the existing law and rules which provide for closed seasons during the spawning period of various species of fish and bag limits on the taking of less abundant fish.

In addition, the department testified that Section 188-35(a)(8) is not needed because Chapter 52 of the Hawaii Administrative Rules of the Department of Land and Natural Resources already provides the boundaries and measures for regulating fishing in Kailua Bay, Hawaii.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1911 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 Bellinger and Kanoho.

SCRep. 527 Ocean and Marine Resources on H.B. No. 1833

The purpose of this bill is to clarify the law regarding the minimum mesh size allowed for nets and traps made with rigid or stiff material. This bill amends Section 188-29, Hawaii Revised Statutes, by setting different minimum mesh size regulations for flexible net material and non-flexible trap materials.

Presently, the fish net and trap law provides a two-inch minimum mesh size to allow smaller size fish to escape and grow. Nets are made of cotton, nylon, linen, or other soft and flexible material which can be stretched to meet the minimum mesh requirement. However, plastic lobster traps and plastic coated wire fish traps are rigid and stiff and cannot be stretched without damaging the mesh. This bill establishes a minimum mesh size of two-inch long by one-inch wide for traps made with rigid material.

Additionally, this bill repeals Section 188-29(a)(8) because the subject matter of that subsection, i.e., the length of bullpen traps, is covered by another statute.

Your Committee has amended this bill to correct certain typographic, technical, and stylistic errors; no substantive changes have been made.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1833, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger and Kanoho.

SCRep. 528 Ocean and Marine Resources on H.B. No. 1420

The purpose of this bill is to amend Chapter 188, Hawaii Revised Statutes, by adding a new section which would require the Department of Land and Natural Resources to adopt rules in accordance with Chapter 91 to monitor the export of aquarium fish taken from the waters of the State for aquarium purposes pursuant to Section 188-31 and to report to the Board of Land and Natural Resources a monthly count of the number of aquarium fish exported.

Currently, the department requires commercial marine licensees who collect aquarium fish to report specific fishery management information in a monthly aquarium fish catch report. The department could easily require that information on exported aquarium fish be submitted as a part of this monthly aquarium fish catch report.

The department, pursuant Section 189-10, Hawaii Revised Statutes, also currently requires commercial marine dealers to file a monthly fish dealers' report which informs the board of the weight, number, and value of each species of marine life purchased, transferred, exchanged, or sold during the previous month, as well as other information which the department may require. The department could easily require commercial marine dealers who buy and export aquarium fish from commercial aquarium fish collectors to include information on the aquarium fish exported in their monthly fish dealers' report.

Your Committee received testimony in support of this bill from The Ocean Recreation Council of Hawaii (TORCH), Sea Paradise Scuba, Inc., Jack's Diving Locker, Dive Makai Charters, and the University of Hawaii's Environmental Center.

In addition, your Committee received testimony from the Department of Land and Natural Resources suggesting that this bill make specific reference to the aquarium fish catch report and the fish dealer's report. Your Committee has amended this bill to incorporate this suggestion.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1420, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger and Kanoho.

SCRep. 529 Ocean and Marine Resources on H.B. No. 434

The purpose of this bill is to amend Section 188-68, Hawaii Revised Statutes, to prohibit the sale of any stony coral of the taxonomic order, Madreporaria, including the Fungidae or Pocilloporidae families, for any reason.

Your Committee received testimony on this bill from the Department of Land and Natural Resources, The Ocean Recreation Council of Hawaii (TORCH), and the University of Hawaii's Environmental Center.

Your Committee agrees with the Department of Land and Natural Resources that the sudden prohibition of the sale of stony coral may cause financial hardships to sellers. Accordingly, your Committee has amended this bill to add a phasing out period to lessen the impact of the ban.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 434, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger and Kanoho.

SCRep. 530 Housing on H.B. No. 982 (Majority)

The purpose of this bill is to amend Section 201E-221, Hawaii Revised Statutes, to make changes to the Housing Finance and Development Corporation's (HFDC) buyback provisions. These changes include deducting the applicable depreciation of improvements from the buyback cost; limiting the accrument of interest costs on the subsidy to thirty years; and allowing for the payment of the subsidy and the interest accrued before the transfer or sale of the unit.

Your Committee received testimony in favor of this bill from the Director of Housing and Community Development, City and County of Honolulu. This testimony indicated that a hardship is presented by the lack of a cut-off date on the accrument of interest on the subsidy provided on units purchased from HFDC. This testimony also indicated that the deduction of depreciation on improvements, for example, on carpets, was a reasonable change in the law.

Your Committee has amended the bill by deleting the portions which called for buyback provisions to apply only to the original purchase. Accordingly, HFDC could, as it has already done in the past, repurchase a unit and reinstate the ten-year buyback upon resale. This reinstatement of the buyback assures that the unit will remain affordable for a longer period of time. The bill has also been amended to allow it to take effect retroactively. This will address the concerns of the owners of units sold by HFDC who presently face open-ended debt accumulation.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 982, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Amaral and Peters did not concur.)

SCRep. 531 Housing on H.B. No. 1276

The purpose of this bill is to prevent the issuance of an ohana permit if a previous recorded or non-recorded covenant or deed restricts construction of a second-dwelling on the property.

Your Committee received testimony in favor of this bill from a concerned citizen. This testimony indicated that ohana permits are still being issued for areas where covenants prohibit such use. Ohana zoning in subdivisions with such covenants appears to be a serious problem in Kauai.

Your Committee received testimony in opposition to this bill from the Department of Land Utilization, City and County of Honolulu. This testimony indicated that because the department processes over 300 ohana permits a year, great administrative difficulties would result if it were required to review the deeds of all ohana zoning applicants for restrictive covenants. This testimony also indicated that it would be extremely difficult for the department to research unrecorded covenants.

Taking into consideration the department's testimony, your Committee has amended this bill to delete language referring to "non-recorded" covenants, and has added language requiring applicants to provide a notarized statement to the counties stating that there is no recorded covenant or deed restriction on the subject property which prohibits the construction of a second dwelling.

Your Committee has also amended this bill to correct certain typographic, technical, and stylistic errors.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 532 Housing on H.B. No. 1556 (Majority)

The purpose of this bill is to clarify and correct Hawaii's ohana zoning laws.

Your Committee received testimony in favor of this bill from the Hawaii Association of Realtors and Kauai County. This testimony indicated that while last year's amendments to section 46-4(c), Hawaii Revised Statutes, were intended to prohibit ohana zoning in areas where private covenants prohibited such use, an unforeseen effect has been to prohibit such zoning in rural district lands.

Your Committee finds that by clarifying the ohana zoning laws to provide for the allowance of ohana units in rural districts, the state will be promoting the development of affordable housing, and accomodating the needs of the extended family.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1556 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 533 Housing on H.B. No. 1878

The purpose of this bill is to limit the Housing Finance and Development Corporation's (HFDC) shared appreciation in a rental housing project to the pro rata share of units receiving rental assistance.

HFDC testified that the present law may serve as a deterrent to developers who may want to utilize the Rental Assistance Program for less than 100% of the units in a qualified rental project, but who are reluctant to share the appreciation on the entire project with the HFDC. This bill would rectify this deterrent.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1878 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 534 Housing on H.B. No. 1800

The purpose of this bill is to exempt market-priced units in an economically integrated housing project from the Housing Finance and Development Corporation's (HFDC) repurchase requirements; and to clarify that the HFDC may waive the repurchase requirements for certain dwelling units financed under a federally subsidized mortgage program.

Your Committee heard testimony from the HFDC that the buyback provisions are intended to prevent speculation on HFDC's lower cost homes, and that such provisions are inappropriate for market-rate houses, which receive no government subsidy. The profits from these market-rate units make the development of affordable housing feasible.

In addition, HFDC testified that it should have the ability to waive buy-back restrictions on homes financed under a federally subsidized mortgage program. In 1985 these units were exempted from buyback restrictions so that the U.S. Department of Agriculture's Farmers Home Administration (FmHA) could recapture interest credit subsidies. However, this exemption has created much speculation, which is contrary to HFDC's purpose of providing affordable homes. By giving HFDC the ability to waive the restrictions, it can reduce speculation, and when necessary provide a means of repaying subsidies to the FmHA.

Your Committee on Housing continues to support the principle that HFDC subsidized homes should be subject to buyback provisions.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1800 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 535 Housing on H.B. No. 1557

The purpose of this bill is to amend section 201E-20, Hawaii Revised Statutes, to require that Housing Finance and Development Corporation transactions involving real and personal property be subject to legislative disapproval.

Your Committee received testimony in opposition to this bill from the Housing Finance and Development Corporation. This testimony indicated concern that the bill would unduly delay transactions to the detriment of Housing Finance and Development Corporation projects.

Your Committee finds that clarification is needed with regard to what transactions will be subject to legislative disapproval. Accordingly, your Committee has amended this bill to provide that the sale of real property by the Housing Finance and Development Corporation for other than residential uses, and uses accessory and related thereto, shall be subject to disapproval of the Legislature.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1557, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 536 Housing on H.B. No. 1881

The purpose of this bill is to effect a minor housekeeping amendment to Section 201E-21, Hawaii Revised Statutes by replacing the word "authority" with the word "corporation."

Your Committee on Housing heard testimony from the Housing Finance and Development Corporation, the "corporation" referred to in the bill, to the effect that this is an appropriate housekeeping amendment. No other testimony was heard on this bill and your Committee feels it accurately corrects the language of Section 201E-21.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1881 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 537 Judiciary on H.B. No. 1222

The purpose of this bill is to clarify the law on motor vehicle sun screening by specifying the exact placement of front window tint, using the AS-1 marking, or not lower than four inches from the top of the windshield moulding. The bill also changes the tolerance requirement for sunscreening light transmittancy from the current 35 per cent, plus or minus 3 per cent, to plus or minus 5 per cent.

Your Committee finds that the present statute on window tinting is ambiguous. "AS-1" is the manufacturer's marking to indicate the demarcation where the factory tint has stopped and from that point on, the window is clear. Most AS-1 markings have a line and an arrow pointing down to indicate the clear portion. Automobiles which have not been factory tinted will have the AS-1 marking at the very bottom of the windshield but no line or arrow. This measure would provide clarity and uniformity by requiring that the tinting cannot encroach beyond four inches of the windshield, measured from the top down.

Your Committee, upon further consideration, has amended the bill by increasing the tolerance variance of the percentage of light transmittance from plus or minus 5 per cent, to plus or minus 6 per cent. Your Committee finds that increasing the variance to 6 per cent will permit the use of new, high-technology light meters that are capable of distinguishing between 35 per cent transmittance tints and any shades darker.

Your Committee received testimony in support of this measure from the Department of Transportation, a Representative from the Hawaii Business League, and the Hawaii Coalition for safe glass tinting.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1222, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1222, H.D. 2.

Signed by all members of the Committee except Representative Shon.

SCRep. 538 Finance on H.B. No. 32

The purpose of this bill is to establish a Division of Historic Preservation within the Department of Land and Natural Resources.

Your Committee finds that the present status of the Historic Preservation program as a section within the Division of State Parks, Outdoor Recreation and Historic Sites is unduly placed, insofar as the program has the immense and critical responsibilities of protecting Hawaii's archaeological, religious, and cultural treasures, regulating archaeological activities, acquiring properties, as well as promoting research and publications on historical and cultural resources. Your Committee therefore finds that the elevation of the program to a departmental division will facilitate a more aggressive posture on the part of the program.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 32, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 32, H.D. 2.

Signed by all members of the Committee.

SCRep. 539 Finance on H.B. No. 626

The purpose of this bill is to appropriate funds for improving tsunami preparedness in Hawaii, including, but not limited to, the manufacture and installation of uniform statewide signs and symbols designating evacuation routes.

Your Committee received testimony in support of this bill from the Department of Defense and the Honolulu Civil Defense Agency.

Your Committee finds that signs and symbols need to be strategically placed in tsunami inundation zones to properly direct the public in the event of a tsunami warning.

Your Committee has amended the bill by appropriating \$1 instead of \$50,000. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 626, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 626, H.D. 1.

Signed by all members of the Committee.

SCRep. 540 Finance on H.B. No. 1039

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority (HHA) to improve, repair, and maintain housing projects located in the counties of Hawaii, Kauai, Maui, and the City and County of Honolulu managed or administered by the HHA.

Your Committee finds that decreasing federal support for public housing necessitates the State increasing its financial commitment to public housing projects. Because of insufficient funding for maintenance, these projects are currently in a state of disrepair and if this trend continues, will cost the State more in dollars and social problems than would continual improvement, repair, and maintenance of these projects.

Your Committee has amended the bill by inserting a nominal \$1 in the appropriation section for purposes of continued discussion.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1039, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1039, H.D. 2.

Signed by all members of the Committee.

SCRep. 541 Finance on H.B. No. 962

The purpose of this bill is to provide a bonus effective July 1, 1989 and each July 1 thereafter to those retirants and pensioners with ten or more years of service based on that person's date of retirement.

Your Committee has amended this bill by amending the amount the pension shall be increased as follows:

- (1) A bonus of \$0.50 a month for each year of credited service for those who have been retired a minimum of five years;
- (2) A bonus of \$1.00 a month for each year of credited service for those who have been retired a minimum of ten years;
- (3) A bonus of \$1.50 a month for each year of credited service for those who have been retired a minimum of fifteen years;
- (4) A bonus of \$2.00 a month for each year of credited service for those who have been retired a minimum of twenty years;
- (5) A bonus of \$2.50 a month for each year of credited service for those who have been retired a minimum of twenty-five years; and
- (6) A bonus of \$3.00 a month for each year of credited service for those who have been retired a minimum of thirty years.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 962, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 962, H.D. 2.

Signed by all members of the Committee.

SCRep. 542 Finance on H.B. No. 1194

The purpose of this bill is to increase the number of tuition waivers offered to students who attend the University of Hawaii at Manoa and Hilo Campuses, from fifteen percent to twenty-two percent of the previous fall enrollment.

Your Committee finds that an increase in the tuition waivers will allow the university to provide an education to an increased number of qualified students.

Your Committee has amended this bill to make technical, nonsubstantive changes for the purpose of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1194, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1194, H.D. 1.

Signed by all members of the Committee.

SCRep. 543 Finance on H.B. No. 1233

The purpose of this bill is to set forth the conditions for the matching and reversion of funds for the State of Hawaii Endowment Fund used for the operation of the Honolulu Symphony.

Your Committee finds that the enactment of this bill will alleviate the problems the Honolulu Symphony trust administrators are encountering in carrying out the intent of the endowment fund legislation.

Your Committee has amended the bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1233, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1233, H.D. 2.

Signed by all members of the Committee.

SCRep. 544 Finance on H.B. No. 1217

The purpose of this bill is to provide funds for the design and construction of the Center for Applied Aquaculture.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources and the Oceanic Institute. In addition, the testimony from the University of Hawaii favored this bill in concept.

Your Committee has amended the bill by appropriating \$1 instead of \$4,000,000. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1217, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1217, H.D. 3.

Signed by all members of the Committee.

SCRep. 545 Finance on H.B. No. 1231

The purpose of this bill, as received by this Committee, is to make permanent ten limited-term appointed public health nurse positions in the Case Management Coordination Program and strengthen each program located in Maui, Kauai, and rural Oahu.

Your Committee received favorable testimony supporting the intent of this bill from the Department of Health, the Hawaii State Legislative Committee of the American Association of Retired Persons, the Founders Group of the Kokua Council for Senior Citizens of Hawaii, and others.

Your Committee has amended this bill by clarifying that ten limited-term appointed public health nursing positions, which includes five registered professional nurses, four paramedical assistants, and one clerk typist, would become permanent positions. Other 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 H.B. No. 1231, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1231, H.D. 2.

Signed by all members of the Committee.

SCRep. 546 Finance on H.B. No. 18

The purpose of this bill is to appropriate funds to provide the Hawaiian Home Lands Commission with additional revenues for infrastructure improvements of their lands.

Your Committee finds that Hawaiian home lands are presently unsuitable for homesteading and that basic infrastructure improvements must be made.

Your Committee further finds that using revenue bonds as the method of financing will accelerate the progress of the homesteading program and increase the funds available for infrastructure improvements. Although your Committee has some concern over the Hawaiian Home Lands Commission's ability to satisfy the debt obligation, the Committee is confident it will find a means to do so.

Your Committee has amended the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 18, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 18, H.D. 2.

Signed by all members of the Committee.

SCRep. 547 Finance on H.B. No. 15

The purpose of this bill is to encourage the development of a software industry in Hawaii.

The development of customized application software for business and government continues to remain a potential growth area for Hawaii's businesses. Although there is a strong consensus for the development of a software industry, there is no strategic plan to nurture its development.

Your Committee finds that a software industry will benefit the State by providing employment opportunities and the production of items for local use and export throughout the Pacific Basin.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 15, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 15, H.D. 2.

Signed by all members of the Committee.

SCRep. 548 Finance on H.B. No. 62

The purpose of this bill is to alleviate health and developmental problems among young children from low-income families.

As received, this bill increases the income standard for pregnant women and infants under one year of age and to extend Medicaid eligibility to children between one year of age and the maximum age allowed under optional federal medicaid rules living in families with incomes below the federal poverty level, without any asset restrictions.

Upon further consideration, your Committee has amended this bill to expand Medicaid eligibility to children under six years of age living in families below the federal poverty level and to older children as permitted under optional federal medicaid rules.

Other technical, nonsubstantive changes have been made throughout the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 62, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 62, H.D. 2.

Signed by all members of the Committee.

SCRep. 549 Finance on H.B. No. 1348 (Majority)

The purpose of this bill is to afford District Court and District Family Court judges the same retirement benefits now available to justices of the Supreme Court and judges of the Intermediate Appellate and Circuit Courts.

Your Committee finds that as full-time judges, the judges of the District Court and District Family Court are held to the same standards as judges of the other courts. However, on the question of retirement benefits, the District Court and District Family Court judges do not receive the same retirement benefits.

Judges sitting in District Court receive retirement benefits from the State of 2-1/2 percent or less; whereas, all other judges receive 3-1/2 percent. This bill affords District Court and District Family Court judges the same rights and benefits as judges of Circuit and Appeal Courts.

To avoid setting a precedent, your Committee has amended this bill so that those District Court judges and District Family Court judges who were Class A members prior to July 1, 1984 and then elected to become Class C members pursuant to Section 88-271, Hawaii Revised Statutes, will not be allowed to become Class A members and shall remain Class C members. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1348, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1348, H.D. 1.

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

SCRep. 550 Finance on H.B. No. 604

The purpose of this bill is to provide an additional rate of payment for persons receiving medical assistance to institutional providers of medical care.

Your Committee finds this additional rate is necessary due to the shortfall between Medicare and Medicaid payments, which are limited by the federal government, and the cost of services rendered by the medical institutions. When major purchasers of health services such as Medicaid and Medicare pay significantly less than the full cost of services, hospitals are forced to absorb the difference as they are not permitted to recover the difference from the patient.

It is further noted that medical institutions in this State have made significant efforts to contain their costs. However, recent factors beyond their control have succeeded in driving the costs up.

Your Committee received testimony from many institutional medical service providers and associations all in favor of this measure. The Director of Human Services also submitted testimony in support of this funding.

For purposes of continued discussion the appropriations section of the bill has been amended by the insertion of \$1 for each year of the fiscal biennium.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 604, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 604, H.D. 2.

Signed by all members of the Committee.

The purpose of this bill is to establish a fund into which a developer or owner of land, on which historically significant human remains are found, must deposit funds to cover the cost of services provided by an archaeologist, physical anthropologist, or both.

In addition, this bill: (1) requires that the Department of Land and Natural Resources be responsible for the selection of any specialists needed; and (2) provides for the purchase of the Honokahua burial site at Kapalua, Maui.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 17, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 17, H.D. 2.

Signed by all members of the Committee.

SCRep. 552 Finance on H.B. No. 1180

The purpose of this bill is to offer an optional retirement plan for University of Hawaii employees in order to provide for portability of pension benefits thereby enhancing efforts to recruit qualified faculty.

The State's contribution under an optional retirement plan shall be based on a percentage of employees' basic annual earnings inclusive of stipends. In addition, the University of Hawaii Board of Regents will be charged with certifying the amount of the appropriation needed to make the contribution to the optional retirement plan.

Your Committee heard testimony in favor of the bill from the University of Hawaii, the University of Hawaii Professional Assembly, and private organizations that would offer the optional retirement plan to the university. All agreed that in order to provide quality education for Hawaii's people, the University of Hawaii must be able to attract qualified faculty. To do so, however, the university must compete nationally with private and public institutions of higher education.

Testimony stated that a large part of the problem in recruiting qualified faculty at the university is that prospective faculty are reluctant to accept positions since they would be unable to continue their participation in retirement plans established by other universities. This plan would allow them to continue their retirement plan. Testimony also indicated that the establishment of this plan would not significantly affect the profitability of the current Employee Retirement System.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1180, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1180, H.D. 2.

Signed by all members of the Committee.

SCRep. 553 Finance on H.B. No. 924

The purpose of this bill is to provide lump sum payments to those former charter members of the Excluded Managerial Compensation Plan (EMCP) who retired, left state or county employment for other jobs, or transferred to positions covered by different pay plans, and did not receive back pay under Act 400, Session Laws of Hawaii 1988.

Your Committee finds that this bill will address this inequity by authorizing the state and counties to provide back pay for former charter members of the EMCP.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 924, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 924, H.D. 2.

Signed by all members of the Committee.

SCRep. 554 Finance on H.B. No. 548

The purpose of this bill is to raise the compensation of precinct officials.

Your Committee finds that precinct officials provide their friends, neighbors, and community with an invaluable service, which is difficult to adequately compensate as it is more of an expression of commitment to the electoral process than simply pay for services rendered. Moreover, the last increase in compensation was in 1982, which raised the pay of the average precinct official from \$45 to \$60.

Your Committee has amended the bill by appropriating \$108,000 to be expended by the Office of the Lieutenant Governor for the purposes of this measure. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 548, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 548, H.D. 2.

Signed by all members of the Committee.

SCRep. 555 Finance on H.B. No. 460

The purpose of this bill is to provide funds for the continuation of moving image preservation activities.

Your Committee finds that the statewide planning process to ensure the preservation and protection of valuable film and video materials is of benefit to the State and should continue.

Your Committee has amended this bill to appropriate the sum of \$100,000 for fiscal year 1989-1990 only.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 460, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 460, H.D. 2.

Signed by all members of the Committee.

SCRep. 556 Finance on H.B. No. 1

The purpose of this bill is to appropriate funds for the promotion of dendrobium orchids through programs conducted by the Department of Agriculture.

The bill requires a dollar-for-dollar matching contribution by the dendrobium orchid industry.

Your Committee finds that with past fiscal support and state encouragement, Hawaii's dendrobium orchid growers increased their total sales by 26 percent in 1987. The industry also achieved an increase of 85 percent in out-of-state sales in 1987.

Although the growth of the dendrobium industry in Hawaii appears promising, your Committee heard testimony that competition from foreign sources is on the rise. Your Committee also heard that Hawaii's competitors hold an absolute cost advantage in getting the orchids into the United States mainland at half the landed cost than Hawaii.

Your Committee further heard testimony from the College of Tropical Agriculture and Human Resources that its preliminary market research report identifies the need for a more aggressive promotion of Hawaii's dendrobium orchids. The report suggests that while mainland wholesalers and retailers are aware of Hawaiian dendrobium orchids, they lack knowledge on how to care for them. The report further suggests the need for the industry to educate and familiarize the trade with the strengths and advantages of Hawaiian dendrobiums.

Your Committee finds that the dendrobium orchid industry has the potential to increase its contribution to the State's economy, and the industry needs to increase efforts to expand its market while retaining established markets.

Your Committee has amended the bill by appropriating \$30,000 instead of \$50,000. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

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

Signed by all members of the Committee.

SCRep. 557 Finance on H.B. No. 30

The purpose of this bill is to establish a Hawaii historic preservation special fund to enhance and preserve elements of our past that should be integrated into our daily living.

Your Committee finds that a number of historic resources in the State are in need of maintenance and renovation especially with the disappearance of federal matching grants-in-aids after 1983. The establishment of this special fund would help to eliminate the need to make special appropriations on a case-by-case basis, and it would also allow for planned programming.

The Department of Land and Natural Resources (DLNR), the Office of Hawaiian Affairs, the Historic Hawaii Foundation, the Society for Hawaiian Archaeology, as well as Nancy Bannick testified in support of this bill.

Your Committee finds that much can be gained by having DLNR administer the fund and delegating the actual day-to-day operation of the fund to a public or private agency. These advantages include: greater operational flexibility to meet changing community needs; a reduction in bureaucratic procedures; more efficient use of volunteers; and greater likelihood in soliciting private sector donations.

Your Committee has amended section 3 of the bill by reducing the appropriation to \$7,500,000 for the fiscal biennium 1989-1991. Other technical, nonsubstantive amendments have been made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 30, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 30, H.D. 2.

Signed by all members of the Committee.

SCRep. 558 Finance on H.B. No. 451

The purpose of this bill is to develop a masterplan to expand West Oahu College from a two-year undergraduate institution to a four-year liberal arts undergraduate institution.

Your Committee concurs with the President of the University of Hawaii that such an expansion must be studied further and a plan of action created upon approval by the University of Hawaii Board of Regents.

Your Committee has amended this bill by appropriating \$1 to be expended by the University of Hawaii. Other technical, nonsubstantive amendments have also been made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 451, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 451, H.D. 2.

Signed by all members of the Committee.

SCRep. 559 Finance on H.B. No. 73

The purpose of this bill is to expand the responsiveness and accountability of State government to the citizens of Hawaii by expanding the complaint-resolution system now in place.

This bill adds responsibilities for receiving, referring, and tracking the resolution of citizens' complaints to the State Office of Information, and changes this agency's name to the Office of Information and Complaint to reflect this new responsibility.

Insofar as this bill expands the present scope of Chapter 27C, Hawaii Revised Statutes, your Committee has amended this bill to provide for a new title to Chapter 27C which reflects this expanded complaint resolution process. Other technical, nonsubstantive amendments have been made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 73, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 73, H.D. 2.

Signed by all members of the Committee.

SCRep. 560 Finance on H.B. No. 38

The purpose of this bill is to begin the process for the cultural revitalization of downtown Honolulu by appropriating \$4,000,000 for the restoration and renovation of the Hawaii Theatre, \$100,000 for the Kamehameha V post office renovations, and \$50,000 for a legislative audit examination of the use of Iolani Palace.

Your Committee finds that Hawaii Theatre has the potential to become a quality performing arts center. With a final seating capacity of 1700, it would serve as a viable alternative for the nearly 150 events turned away by the Blaisdell Concert Hall, and contribute immensely to the economic vitality of downtown Honolulu after dark.

Your Committee finds that the State of Hawaii owns one of the largest collections of portable works of art in the community, purchased through the art-in-the-state buildings program. Displaying more of these works in a public gallery built in the Kamehameha V post office building would be another cultural jewel for Honolulu's urban core.

Your Committee also finds that much devoted work continues to go into improving Iolani Palace, truly Honolulu's centerpiece. A legislative audit will evaluate ways of providing increased public access to one of the world-famous royal palaces in the United States.

Your Committee further finds that the establishment of a Hawaii youth creative arts center, perhaps at Central Intermediate School should it become available, would not only educate our children and enhance their appreciation for culture and the arts, but could also house a needed child science and technology center.

Your Committee finds that with the proper planning, vision, and funding, these cultural resources could offer a wide range of attractions and opportunities for the people of Hawaii.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 38, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 38, H.D. 2.

Signed by all members of the Committee.

SCRep. 561 Finance on H.B. No. 977

The purpose of this bill is to exempt from the general excise tax certain payments by hotel owners to hotel operators which are currently subject to double taxation.

Your Committee finds that this bill will encourage management companies to place hotel staff on their own payroll rather than on the hotel owner's payroll and thereby protect the interests of the hotel workers by providing them with more job security and continuity of employment benefits.

Since the income that is being exempted from taxation by this bill is currently being sheltered, the benefit to the hotel workers will be accomplished with no loss of tax revenues to the State.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 977, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 977, H.D. 2.

Signed by all members of the Committee.

SCRep. 562 Finance on H.B. No. 1156

The purpose of this bill is to provide funds to the Office of Information for a pilot program to establish a permanent, year-round State Capitol Tour and Information Services Program.

Your Committee finds that the Sergeant-At-Arms office of the House of Representatives currently conducts tours at the request of lawmakers, the Executive Branch, and the public, which have been extremely successful in educating visitors and residents. In 1988, over 10,000 people visited the Capitol. Your Committee finds that this demand demonstrates a need for an expansion of the existing tours.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1156, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1156, H.D. 2.

Signed by all members of the Committee.

SCRep. 563 Finance on H.B. No. 911

The purpose of this bill is to provide for the treatment of incarcerated sex offenders in need of sex abuse education and treatment programs.

Your Committee has amended the bill by appropriating \$200,000 in each fiscal year of the biennium. In addition, technical, nonsubstantive revisions have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 911, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 911, H.D. 2.

Signed by all members of the Committee.

SCRep. 564 Finance on H.B. No. 9

The purpose of this bill is to encourage initiatives that expand and diversify Hawaii's economy by increasing the amount of capital available for business start-ups and development.

This bill establishes the Hawaii Strategic Fund, a quasi-public corporation to encourage development and diversification in Hawaii through innovative actions in partnership with private enterprise. The Fund is authorized to use public funds to reduce the risks of private investments, to coinvest public funds in endeavors supported by private entities, and to provide incentives to private investment activity.

Your Committee finds that this bill will help create a healthy business environment for the long-term economic development of Hawaii by providing a broad range of financial assistance and by involving private sector investment and expertise.

Your Committee heard testimony from both the State and private sectors that this bill will provide much-needed financial assistance to business start-ups and expansions in Hawaii. Without such assistance, many new businesses cannot get started, cannot expand, or must move to locations outside of Hawaii where capital is more available.

Technical, nonsubstantive amendments have been made throughout the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 9, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 9, H.D. 2.

Signed by all members of the Committee.

SCRep. 565 Finance on H.B. No. 1358

The purpose of this bill is to authorize the Board of Trustees of the Hawaii Public Employees Health Fund to provide and administer a long-term care insurance plan for enrollees of the Health Fund and their spouses.

Your Committee finds that employee-beneficiaries and their spouses should be eligible to participate in a long-term insurance benefits plan, provided that they assume responsibility for premium costs and related administrative expenses.

This bill was amended to correct typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1358, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1358, H.D. 2.

Signed by all members of the Committee.

SCRep. 566 Finance on H.B. No. 235

The purpose of this bill is to establish within the Office of the Lieutenant Governor for administrative purposes, a Commission of Fair Campaign Practices, which receives, reviews, and issues findings on complaints of unfair campaign practices.

This measure represents an attempt to address concerns relating to the increased use of "unethical" or "unfair" campaign practices by creating a public forum in which candidates can receive quick, unbiased hearing and resolution of complaints.

The Office of the Attorney General or the Prosecuting Attorney may initiate legal proceedings where the complaints are received by the commission within forty-eight hours prior to any elections.

Technical, nonsubstantive changes have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 235, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 235, H.D. 2.

Signed by all members of the Committee.

SCRep. 567 Finance on H.B. No. 1853

The purpose of this bill is to adjust the mechanism by which rates for related shortage category classes are determined, and to provide retention adjustments for senior workers in shortage categories.

Your Committee has amended this bill to appropriate the sum of \$1,747,440 to be expended by the Department of Accounting and General Services. In addition, technical, nonsubstantive changes were made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1853, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1853, H.D. 1.

Signed by all members of the Committee.

SCRep. 568 Finance on H.B. No. 257

The purpose of this bill is to conduct macadamia nut orchard soil erosion research.

The soil erosion problem in mature macadamia nut orchards was observed initially in the early 1970's, where tree roots were exposed and gullies were formed from surface runoff caused by heavy rainfall. In response to this problem, the College of Tropical Agriculture and Human Resources working with the Hawaii Association of Conservation Districts and the Department of Health's Technical Committee on Nonpoint Source Pollution Control, developed this research proposal to study the extent of surface runoff and soil erosional losses and to formulate erosion control management practices.

Your Committee heard testimony indicating that the vegetative ground cover will not grow under the full canopy of mature macadamia nut trees. When groundcover existed, it gradually died because of its intolerance to shade. This situation left the soil surface bare and susceptible to the erosional forces of surface runoff during prolonged heavy rainfall. Carrying soil particles, debris, and residues from fertilizers, pesticides, and fungicides, this runoff is classified as nonpoint source pollution when it is discharged into streams and coastal waters.

Your Committee finds that if a solution to this erosional problem is not found, hundred of acres of recently planted macadamia nut orchards will add to the problem in the years ahead.

Your Committee has amended this bill by changing the expending agency from the College of Tropical Agriculture and Human Resources to the Department of Health. Other technical, nonsubstantive changes have also been made for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 257, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 257, H.D. 2.

Signed by all members of the Committee.

SCRep. 569 Finance on H.B. No. 366

The purpose of this bill is to appropriate funds to continue and expand the community geothermal technology program.

The community geothermal technology program has shown that waste heat from the generation of electrical energy at the Noi'i O Puna facility can be successfully and efficiently utilized for a number of economically attractive ventures. This program has provided an opportunity to individuals, small businesses, and research institutes to investigate the direct utilization of geothermal energy and its waste products. By involving the general community in geothermal commercialization efforts, the program has promoted an understanding and acceptance of the importance of this valuable indigenous energy resource.

Your Committee has amended the bill by making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 366, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 366, H.D. 2.

Signed by all members of the Committee.

SCRep. 570 Finance on H.B. No. 1547

The purpose of this bill is to provide funds to the Hawaii Visitors Bureau for the Hawaii Open Amateur Baseball Tournament.

For purposes of continued discussion, the appropriations section of the bill has been amended by appropriating the sum of \$1 for each year of the fiscal biennium 1989-1991.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1547, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1547, H.D. 1.

Signed by all members of the Committee.

SCRep. 571 Finance on H.B. No. 1619

The purpose of this bill is to provide funds for the development of a coordinated youth gang response system, incorporating law enforcement and intelligence, training and awareness intervention, prevention and evaluation.

Your Committee finds that a comprehensive, coordinated approach is necessary to control the gang problem and will benefit the State.

Your Committee has amended this bill to make technical changes for the purpose of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1619, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1619, H.D. 2.

Signed by all members of the Committee.

SCRep. 572 Finance on H.B. No. 1378

The purpose of this bill is to expand the scope of the State's group life insurance plan to include the term "group life benefit program."

When the Hawaii Public Employees Health Fund was established, life insurance was the foremost concern of both employer and employee. Today there are other means of protection besides life insurance, thereby necessitating the addition of the term "group life benefit program" to existing law.

Your Committee has amended the bill to correct technical drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1378, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1378, H.D. 1.

Signed by all members of the Committee.

SCRep. 573 Finance on H.B. No. 7

The purpose of this bill is to appropriate funds for research pertaining to the control of anthurium blight or bleach.

In addition, the bill requires that \$25,000 be used to demonstrate techniques that can help anthurium farmers minimize the spread of anthurium blight on their farms.

Your Committee finds that anthurium production accounts for a major portion of the State's floriculture and nursery products industry. Ninety-five percent of the State's anthuriums are grown on the island of Hawaii where the impact of the blight has been severe.

Your Committee heard testimony that during a one-year survey period (October 1, 1987, to September 30, 1988), the anthurium industry suffered a total loss of \$8.5 million.

Your Committee finds that it is important for research to continue in order to protect and save this major floriculture industry. Your Committee has amended the bill to appropriate \$215,791 instead of the original sum of \$100,000.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 7, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 7, H.D. 1.

Signed by all members of the Committee.

SCRep. 574 Finance on H.B. No. 28

The purpose of this bill, as received by your Committee, is to conduct policy planning with regard to the potential adverse effects from global warming in the state, based on an estimated one meter sea level rise by the year 2050.

Your Committee finds that if the global warming trend continues, the state may face shortages of fresh water and eventual flooding of coastal and some low-lying areas.

The Office of State Planning and the Natural Resources Defense Council testified in favor of this bill in order to deal with the urgent problem of global warming or the "greenhouse effect."

Your Committee has amended the bill by deleting references to cooperative efforts between the Hawaii Coastal Zone Management Program and the Office of State Planning since the Coastal Zone Management Program is part of the Office of State Planning.

Upon further consideration, your Committee has also amended this bill by providing for the funding of investigations to develop greenhouse warming remediation strategies involving Hawaii's oceanic and terrestrial biotic resources. Other 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 H.B. No. 28, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 28, H.D. 2.

Signed by all members of the Committee.

SCRep. 575 Finance on H.B. No. 61

The purpose of this bill is to fund a pilot short-term crisis intervention program for elderly persons in need of case management services.

Your Committee finds that the population of elderly persons is rapidly increasing and is creating an increase in the need for multiple services and intensive case management.

Your Committee has amended this bill to provide \$200,000 for fiscal biennium 1989-1991 for a short-term crisis intervention program. Other technical, nonsubstantive changes have been made for the purposes of style and clarity.

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

Signed by all members of the Committee.

SCRep. 576 Finance on H.B. No. 85

The purpose of this bill is to provide funds to continue the class size reductions, which have been initiated in kindergarten and first grade classrooms.

Your Committee finds that the quality of education can be improved significantly by reducing class size to a ratio of twenty to one or fewer. Class size reductions promote greater interaction between students and teachers. Class size reductions also make possible the implementation of educational strategies in the classroom, which increase individual attention and small group interaction. Conversely, large classroom sizes adversely affect teacher morale and job satisfaction, and student performance suffers while discipline problems increase.

Your Committee has amended this bill by making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 85, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 85, H.D. 1.

Signed by all members of the Committee.

SCRep. 577 Finance on H.B. No. 66

The purpose of this bill is to make an appropriation to the Executive Office on Aging for the expansion of the long-term care ombudsman program.

Your Committee has amended this bill to provide a sum of \$70,393 in each year of the fiscal biennium for the establishment of one permanent position for the long-term ombudsman program. Technical, nonsubstantive revisions have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 66, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 66, H.D. 2.

Signed by all members of the Committee.

SCRep. 578 Finance on H.B. No. 1356

The purpose of this bill is to increase the State's minimum hourly wage from \$3.85 to \$4.25 beginning January 1, 1990, and to provide for automatic increases beginning January 1, 1992 and January 1 of each even numbered year thereafter based on a percentage increase of the State's average weekly wage as determined by the Director of Labor and Industrial Relations.

Upon further consideration, your Committee has amended the bill to increase the minimum wage to:

- (1) \$4.20 per hour beginning January 1, 1990; and
- (2) \$4.55 per hour beginning July 1, 1991.

Other 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 H.B. No. 1356, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1356, H.D. 2.

Signed by all members of the Committee.

SCRep. 579 Finance on H.B. No. 70 (Majority)

The purpose of this bill is to establish a State Office of International Affairs to develop, direct, and coordinate the international activities of the State.

Your Committee finds that the State's involvement in international activities is significant and will require the leadership and expertise necessary to maximize the results of efforts currently being made and to help in the development of new initiatives.

Your Committee amended this bill to make technical changes for the purpose of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 70, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 70, H.D. 3.

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

SCRep. 580 Finance on H.B. No. 46

The purpose of this bill is to appropriate general revenue funds to the Highway Special Fund to improve the highway infrastructure system of the State.

The State's Highway Special Fund is supported by user-oriented revenues to build and maintain our highway system throughout the State. However, your Committee finds that there is a lack of adequate revenues in the Highway Special Fund that has resulted in the delay of many critical capital improvement projects.

Your Committee has amended the bill by reducing the appropriation to \$20,000,000 for fiscal year 1989-1990 and deleting any appropriation for fiscal year 1990-1991.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 46, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 46, H.D. 1.

Signed by all members of the Committee.

SCRep. 581 Finance on H.B. No. 1196

The purpose of this bill is to allow student activity revenues to be used for the purchase of flowers, leis, food, refreshments, and prizes, when these expenditures support the educational mission, responsibilities, programs, and related activities of the respective chartered student organizations or student activity programs. This bill provides clarification and endorsement of these expenditures and further defines them, as appropriate, for auditing purposes.

Testimony supporting the intent of this bill was received from the University of Hawaii, the Associated Students of the University of Hawaii, and the Campus Center Board of the University of Hawaii.

Your Committee has amended this bill to include all funds collected for or by student activities and programs, in addition to the Campus Center Special Fund. This revision will allow all student organizations that follow the required procedures to use their funds for these expenditures.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1196, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1196, H.D. 2.

Signed by all members of the Committee.

SCRep. 582 Finance on H.B. No. 1899

The purpose of this bill is to increase the expenditure level of the State Major Disaster Fund for immediate relief of any single major disaster.

In addition, the bill provides an additional sum of moneys to be used for the purpose of matching federal disaster relief funds when such funds become available following a presidential disaster declaration.

Your Committee finds that the State Major Disaster Fund is of significant importance to the State and that sufficient funds should be provided.

Your Committee has amended this bill to make technical changes for the purpose of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1899, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 583 Finance on H.B. No. 16

The purpose of this bill is to appropriate funds to identify public lands which may be exchanged for Hawaii Homes Commission lands which are not as well suited for homesteading.

Your Committee finds that many of the Hawaiian home lands set aside for homesteading lack water, good soil, and are remotely located. These lands are unsuitable for residential, agricultural, aquacultural, or pastoral purposes, and will need significant funding for capital improvements.

Your Committee finds that an exchange for public lands is an alternative to the high cost of developing these lands and that available State lands, suitable for homesteading, be identified and made available to the Department of Hawaiian Home Lands.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 16, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form hereto as H.B. No. 16, H.D. 2.

Signed by all members of the Committee.

SCRep. 584 Finance on H.B. No. 1144

The purpose of this bill is to establish the Small Business Incubator Program, which would assist new small businesses create quality jobs that will expand and diversify Hawaii's economy.

This bill provides a mechanism whereby the Department of Business and Economic Development may demonstrate preferences in the Small Business Incubator Program to include those new businesses engaged in high technology efforts. The bill also allows for the compensation of staff for the administration of this Program from the Small Business Incubator Revolving Fund.

Your Committee has amended this bill by clarifying that the Small Business Incubator Program will assist new businesses for a maximum period of five years. Other technical, nonsubstantive amendments were made for the purposes of style and clarity.

Testimony from the the Department of Business and Economic Development, the Mayor's Office of the City and County of Honolulu, and the Hawaii Island Economic Development Board expressed support for the intent of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1144, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1144, H.D. 2.

Signed by all members of the Committee.

SCRep. 585 Finance on H.B. No. 1686

The purpose of this bill is to provide emergency medical services connecting the Honokaa hospital with the proposed hospital in Waimea on the island of Hawaii.

Your Committee received testimony from Department of Health in support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1686 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 586 Finance on H.B. No. 1804

The purpose of this bill is to update the provisions of Chapter 39, Hawaii Revised Statutes, to provide more effective and efficient management of the State bond programs.

The bill, as received by this Committee, broadens the definition of the details relating to the issuance of general obligation bonds to more clearly encompass variable rate as well as fixed rate general obligations bonds. The issuance of variable rate general obligations bonds was authorized by Act 214, Session Laws of Hawaii 1988. The bill also amends Section 39-62 to more clearly state that the appropriation, application, and expenditure of special funds securing revenue bonds issued pursuant to Part III of Chapter 39 will be accounted for on a fiscal year basis.

Your Committee received testimony from the Department of Budget and Finance, which indicated that the proposed change to section 39-62 would cause difficulties for certain special fund agencies. Your Committee has amended this bill to alleviate these concerns. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1804, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 587 Finance on H.B. No. 414

The purpose of this bill is to make the application of the capital goods excise tax credit consistent. Specifically, this bill will clarify the provisions of allocation and computation of the tax credit for partners of partnerships, shareholders of S corporations, and beneficiaries of estates and trusts.

For purpose of clarity, your Committee has amended the definition of "purchase". In addition, the bill was amended by adding "depreciable" on page 2, line 19, to make the reference to tangible personal property consistent throughout.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 414, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 588 Finance on H.B. No. 521

The purpose of this bill is to appropriate State matching funds for Medicaid reimbursement purposes for a home and community-based waiver program, which will deinstitutionalize eighty-five residents from Waimano Training School and place thirty-five individuals from the community into residential and day programs to meet their developmental needs and prevent institutionalization.

Under this bill, the Medicaid waiver program will provide case management, adult day health services, personal care, skilled nursing, respite, and environmental modifications in the homes to accommodate wheel chairs and other specialized equipment.

Your Committee finds that this bill will serve as a vehicle to enhance the quality of services in the community and further decrease the population in the institution for the mentally retarded.

Your Committee has amended this bill by appropriating the sum of \$1.00 for each year of the fiscal biennium 1989-1991. Other technical, nonsubstantive amendments have also been made for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 521, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 589 Finance on H.B. No. 12

The purpose of this bill is to extend the general excise tax exemption date for stock exchange activities for a period of three years, and to clarify the activities exempted.

Your Committee finds that the establishment of a stock exchange in Hawaii will be of benefit to the State and efforts should continue to be made to create incentives that will attract an exchange.

Your Committee finds that while efforts to bring a stock exchange to the State continue, the tax exemption will expire before this can be accomplished. Your Committee, therefore, concurs that the exemption be extended for a period of three years.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 12, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 12, H.D. 2.

Signed by all members of the Committee.

SCRep. 590 Finance on H.B. No. 917

The purpose of this bill is to provide for the continuation of the "Operation Nightingale" program being operated by the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health, the Healthcare Association of Hawaii, the Hawaii Nurses' Association, and the Collective Bargaining Organization of the Hawaii Nurses' Association.

Upon further consideration, your Committee has amended the bill to allow for equal access to the program by all health care facilities by deleting provisions which required priority be given to acute care facilities. In addition, at the request of the Department of Health, the phrase "notwithstanding any law to the contrary" was added to page 4, line 22 of the bill. The appropriations section has been deleted and other 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 H.B. No. 917, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 917, H.D. 2.

Signed by all members of the Committee.

SCRep. 591 Finance on H.B. No. 450

The purpose of this bill is to provide funds for the publication of an educational brochure pertaining to leasehold arrangements in the State.

This bill would implement one of the five recommendations made by participants in a mediated forum on leasehold issues, conducted in response to Senate Concurrent Resolution No. 97, adopted in 1988.

Technical, nonsubstantive revisions have been made to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 450, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 450, H.D. 2.

Signed by all members of the Committee.

SCRep. 592 Finance on H.B. No. 587

The purpose of this bill is to provide sufficient funding for the Legislative Scientific Advisory Committee and the Legislative Economic Advisory Council to compensate members for expenses incurred in the performance of their duties.

Your Committee has amended the bill by appropriating \$100,000 for fiscal year 1989-1990.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 587, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 587, H.D. 1.

Signed by all members of the Committee.

SCRep. 593 Finance on H.B. No. 65

The purpose of this bill is to set the resource allowance and monthly maintenance needs allowance for an institutionalized spouse in compliance with the Medicare Catastrophic Coverage Act of 1988, as amended. This would reduce the number of situations in which the medicaid program, as it applies to nursing home costs, causes either the unnecessary destitution of families, or the dissolution of marriages.

Your Committee received testimony in favor of this bill from the Department of Human Services, the Executive Office on Aging, and a number of community organizations representing families in need.

Your Committee has amended this bill by changing the effective date to October 1, 1989, to make it consistent with the provisions of the Medicare Catastrophic Coverage Act, as amended.

The bill has also been amended to make technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 65, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 65, H.D. 2.

Signed by all members of the Committee.

SCRep. 594 Finance on H.B. No. 1806

The purpose of this bill is to provide the legal basis for the State to offer its employees the opportunity to participate in a wage and salary reduction program that qualifies as a cafeteria plan pursuant to Section 125 of the Internal Revenue Code of 1986, as amended.

Your Committee finds that Section 125 allows employers to design an array of flexible benefit programs or cafeteria plans, which provide both freedom of choice and tax savings to employees. The State proposes to initially establish a medical premium conversion plan under which employees would be authorized to voluntarily reduce their salaries by the amount of their medical insurance premiums before payroll taxes, thereby providing more "take-home" pay.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1806, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1806, H.D. 1.

Signed by all members of the Committee.

SCRep. 595 Finance on H.B. No. 630

The purpose of this bill is to consolidate, streamline, and update present statutory provisions relating to elections by clarifying the powers and responsibilities of election officials.

Among other changes to the election law, the bill:

- (1) Authorizes the chief election officer to hold a special election when vacancies occur in circumstances not covered in other sections of the election law;
- (2) Requires employers to notify employees of the two hours off for voting law;
- (3) Adjusts the procedural timetable for filling vacancies in Senate, Board of Education, and Office of Hawaiian Affairs; and
- (4) Provides that election fraud is a class C felony.

Upon further consideration, your Committee has amended the bill by deleting provisions which would allow people to register to vote on election day. In addition, the appropriations section of the bill was deleted. Other 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 H.B. No. 630, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 630, H.D. 2.

Signed by all members of the Committee.

SCRep. 596 Finance on H.B. No. 1793

The purpose of this bill is to provide funds for one or more temporary libraries during the time the main library is being repaired and renovated.

For purposes of continued discussion, the appropriations section of this bill has been amended with the insertion of §1. Other 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 H.B. No. 1793, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1793, H.D. 2.

Signed by all members of the Committee.

SCRep. 597 Judiciary on H.B. No. 44

The purpose of this bill is to establish a mechanism for use of an ignition interlock system to prevent persons with alcohol dependency from driving while they are under the influence of alcohol. These systems, by means of a breath test, prevent a person whose blood alcohol is over a specified limit from starting a vehicle.

This bill provides a new chapter establishing regulations and basic standards for certification and use of the system, and provides for the use of the system in the penalty provisions for conviction of "driving under the influence". Specifically, the bill permits the court to require connection of an ignition interlock system to a person's car after a first conviction of driving under the influence and mandates connection for all subsequent convictions.

The bill further mandates the court to require that all persons convicted of "driving under the influence" be assessed for alcohol abuse or dependence and obtain appropriate treatment if abuse or dependence is established.

Your Committee finds that the use of the interlock system has proven successful in many other jurisdictions and, while the court can provide penalties as required by each case, the interlock device will, in most cases, prevent a person from driving while intoxicated. Therefore, your Committee has amended the bill to mandate use of the interlock system after a first conviction of driving under the influence. The bill has also been amended to provide stronger penalties for driving without a license.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 44, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 44, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 598 Judiciary on H.B. No. 1699

The purpose of this bill is to allow awards of attorneys' fees in any action that results in the enforcement of an important right affecting the public interest and in the conferring of a significant benefit upon the general public or a large class of persons. It provides incentive to private individuals to assume the role of "law enforcement officer" with respect to bringing certain legal issues such as those relating to the environment, the constitution, or medical and mental health, to the attention of the courts.

Your Committee heard testimony from the State Attorney General in opposition to this measure which indicated concern that the language of this bill was overbroad.

While your Committee is in agreement with the intent of this bill, your Committee has, upon further consideration, amended it by narrowing its scope to actions arising under chapter 342, Hawaii Revised Statutes, relating to environmental quality. Additionally, a new subsection (b) is incorporated which specifically provides for immunity to the state and counties.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1699, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 599 Judiciary on H.B. No. 1135

The purpose of this bill is to add a new section to the penal code which would help to provide a safe learning and working environment for students and educational workers.

This bill is intended to deter terroristic threatening of educational workers by making this act a class C felony. Educational workers include administrators, specialists, counselors, teachers and other employees of the Department of Education.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii State Teachers Association.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1135 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 Hiraki, Peters and Takamine.

SCRep. 600 Judiciary on H.B. No. 1125

The purpose of this bill is to require the Judiciary to establish a yearly, mandatory continuing legal education program for court-appointed attorneys who serve as counsel for indigents, and to require the would be court-appointed attorneys to attend at least three-fourths of the seminars under such programs in order for them to be court-appointed.

Your Committee finds that court-appointed attorneys serve an important function in our system of jurisprudence. They represent indigents in matters such as criminal proceedings and child abuse and neglect hearings. For the indigents who cannot afford an attorney of their own choosing, it is important that the court-appointed counsel assigned to them be well-versed, trained, and experienced in the particular area of the law. For our legal system to work, we must ensure that the ones who need representation the most, the indigents, be provided with counsels who will argue their cause with the same zeal and convictions as they would for paying clients.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1125 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 Peters and Takamine.

SCRep. 601 Judiciary on H.B. No. 1868

The purpose of this bill is:

- (1) To clarify the jurisdiction of the attorney general through the child support enforcement agency under chapter 576E, Hawaii Revised Statutes (entitled "Administrative Process for Child Support Enforcement");
- (2) To require that the appointment and commission of hearings officers under that chapter be made without regard to civil service requirements;
- (3) To clarify the place where certain orders of the agency shall be filed under that chapter;
- (4) To clarify certain procedures for appealing hearing officers' support orders under that chapter;
- (5) To shorten the time for employers to begin withholding an employee's wages when the agency has issued an order assigning to the agency the responsible parent's income under that chapter; and
- (6) To make a technical amendment to Section 571-14, Hawaii Revised Statutes, by eliminating a redundant provision in Section 571-14(6), regarding the appointment of a guardian of an adult person.

The bill makes several additional technical amendments to chapter 576 as well.

Your Committee received testimony from the senior judge of the family court, first circuit, and the administrator of the child support enforcement agency, both in support of this measure.

Your Committee has amended this bill to require that under Section 576E-12, agency orders be filed with the office of the clerk of the circuit court in the appropriate circuit, not the clerk of the family court in said circuit, because the family court does not have a chief clerk. Your Committee has further amended this bill to clarify that assignment of appeals under section 576E-13, may be made either by the senior family court judge or the senior judge in the appropriate circuit. Your Committee has further amended this bill to clarify that under section 576E-16, income withholding orders shall be filed in the office of the clerk of the appropriate circuit court, not the family court.

Your Committee has further amended this bill to correct a punctuation error in existing section 576E-2, paragraph (7) and correct technical drafting errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1868, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 602 Judiciary on H.B. No. 1703

The purpose of this bill is to reduce the quantity of dangerous or harmful drugs required for conviction of the crime of promoting such drugs.

This measure will provide law enforcement officers a much needed tool in the war on drugs. It has been observed that even when an arrest can be made, the quantity of drugs required to convict a person for a more serious felony remains too high since those statutory quantities were enumerated many years ago. Moreover, the most successful way to make a drug

related arrest is the use of undercover operations. With the price of drugs escalating and the amounts required to produce significant arrests, police officers are hampered by the scarcity of funds.

Your Committee received testimony from a representative of the State Attorney General, County Prosecutors, and Police Chiefs in support of this measure.

Your Committee has amended this bill by including a provision for making the possession of fewer than ten capsules, tablets, or dosage units containing one or more harmful drugs a misdemeanor.

Your Committee has also made technical, nonsubstantive amendments to the bill for the purposes of style and clarity. Your Committee has further amended this bill to correct technical drafting errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1703, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 603 Judiciary on H.B. No. 1697 (Majority)

The purpose of this bill is to grant autonomy to the victim-witness assistance program. Currently, the purpose and function of this program rest mainly with the respective County Prosecutors. The bill proposes to locate the program in either the office of the County Prosecutors or some other location. But regardless of its location, the functions of the program are to be different and separate from that of the County Prosecutors.

Your Committee received testimony from the Director of Kauai's victim-witness program; the Director of Victim-Witness Kokua Services; and Prosecuting Attorneys from Kauai, Maui and Hawaii.

Your Committee finds from testimony presented that passage of this bill would give the various counties the flexibility of placement of the program into the most appropriate and conducive location for the particular county while providing a degree of autonomy to the program to pursue its objectives.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1697 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 Peters and Takamine.
(Representative Cavasso did not concur.)

SCRep. 604 Consumer Protection and Commerce on H.B. No. 39 (Majority)

The purpose of this bill is to eliminate the lack of relationship by blood, adoption, or marriage as a basis for discrimination in housing. This bill also clarifies standards for "reasonable restrictions" relating to housing for persons dependent upon guide and signal dogs.

Your Committee has received testimony from the Department of Commerce and Consumer Affairs that some persons are being denied housing solely because they are not related by blood, marriage, or adoption. This occurs in spite of language in the current law which appears to prohibit discrimination in certain real estate transactions based on "marital status". This type of denial unfairly prevents these persons, especially young singles, the elderly, and single-parent families, from sharing the expense of housing costs, as well as other economic and social benefits.

Your Committee adopts the recommendation of the Department of Commerce and Consumer Affairs insofar as it recommends leaving intact the descriptive term "marital status" as a status protected under current Section 515-3, Hawaii Revised Statutes.

The bill also adds "familial status" as a protected status to the list of statuses which are protected under Section 515-3, Hawaii Revised Statutes. Your Committee adopts the bill's definition of "familial status", which is "the state of being related or not by blood, marriage, or adoption". Your Committee declines to adopt the recommendation of the Department of Commerce and Consumer Affairs that "familial status" be defined as "familial relationship" and "the existence or non-existence of a familial relationship."

Therefore, Section 3 of the bill is amended by deleting the brackets around the word "marital" on page 2, line 8, and adding in that line after the word "marital", the word "status" followed by a comma.

Your Committee is aware of the possibility that some persons may attempt to construe this as a gay rights bill. Your Committee expressly notes that this bill was not introduced to address any particular gay rights issue, and, therefore this bill is silent on the issue of whether or not sexual preference is a protected status with respect to certain real property transactions.

With regard to the bill's explanation of the term "reasonable restriction" as it pertains to use of a certified guide or signal dog, your Committee has received testimony from the Department of Commerce and Consumer Affairs, the Aloha Council of the Blind and Visually Impaired, and the Eye of the Pacific Guidedog & Mobility Services Inc. Current law permits the imposition of "reasonable restrictions" regarding guide and signal dogs, but provides no definitions. Problems may arise if current law is construed as allowing restrictions and absolute prohibitions against guide and signal dogs based on stereotypes and a landlord's subjective considerations. This bill attempts to avoid such potential problems

by eliminating the prohibitions and by requiring application of a more balanced standard which requires that the "reasonableness" of the restriction be examined by giving due consideration to the needs of a blind or deaf person.

Your Committee believes that it would be helpful to add to the bill, a non-exclusive list of examples of "reasonable restrictions". Therefore, after the word "person" on page 5, line 4, a period should be inserted. After the period, your Committee has added the following language:

Depending on the circumstances, a "reasonable restriction" may require the owner of the certified guide or signal dog to comply with one or more of the following: (a) provide proof that the animal is a certified guide dog or signal dog; (b) observe applicable laws including leash laws and pick-up laws; (c) assume responsibility for damage caused by the dog; (d) use a harness with a rigid handle on the dog at all times; or (e) have the the housing unit cleaned upon vacating, by fumigation, deodorizing, professional carpet cleaning, or other method appropriate under the circumstances. The foregoing list is illustrative only, and neither exhaustive nor mandatory

Your Committee has made corrections to typographical errors on page 2 of H.B. No. 39 as follows: (1) a space has been inserted between the word "virus)" and the word "infection" in line 10; and (2) the word "from" in line 11 has been replaced by the word "with", to conform to the text of current Section 515-3, Hawaii Revised Statutes.

Finally, your Committee notes certain language in Section 514A-82.5, Hawaii Revised Statutes, which suggests that bylaws governing property subject to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, may lawfully forbid apartment owners from keeping animals as pets in their apartments. Your Committee does not deem a certified guide dog or signal dog to be a "pet" within the meaning of Section 514A-82.5. Your Committee intends for the provisions of this bill to apply to all real estate transactions specified by the bill, including transactions involving condominiums and property subject to Chapter 514A, notwithstanding Section 514A-82.5, Hawaii Revised Statutes, and notwithstanding language in condominium bylaws forbidding pets.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 39, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 39, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.
(Representatives Andrews and Cavasso did not concur.)

SCRep. 605 Consumer Protection and Commerce on H.B. No. 747

The purpose of this bill is to amend Section 447-1, subsection (a), and Section 447-3, subsections (b) and (c), Hawaii Revised Statutes, to require all applicants for a dental hygienist's license to be certified in the administration of intra-oral infiltration local anesthesia before being eligible for examination and licensure as a dental hygienist.

The Board of Dental Examiners testified in favor of this bill. It advised your Committee that many states, including California, now require applicants to be certified in the administration of intra-oral infiltration local anesthesia as a prerequisite for obtaining a dental hygienist license. Most dental hygiene schools, including the University of Hawaii, now include a "local anesthesia" course in their regular curriculum.

Your Committee concurs with the recommendation of the Board that all dental hygienists should be able to perform this expanded function as a condition of licensure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 747 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 Peters.

SCRep. 606 Consumer Protection and Commerce on H.B. No. 744

The purpose of this bill is to delete the provision of Section 436E-4, Hawaii Revised Statutes, which exempts dentists, medical doctors and osteopathic physicians from the requirements of the acupuncture law, Chapter 436E, Hawaii Revised Statutes, if they are certified by their respective boards as qualified to practice acupuncture.

Testimony in favor of this bill was presented by Board of Acupuncture which submitted that anyone wishing to practice acupuncture should meet the requirements of Chapter 436E, Hawaii Revised Statutes, and should be licensed by the Board of Acupuncture.

The Board of Medical Examiners testified in support of this bill, stating that the certification process is an undesirable burden because the medical board lacks the expertise and standards to certify its licensees in acupuncture. Further, such certification is inconsistent with the medical board's current practice of not certifying any of its physician licensees in the recognized thirty-two specialties and forty-eight subspecialties of the practice of medicine.

The Board of Osteopathic Examiners, and the Board of Dental Examiners gave similar testimony in support of this bill. The boards stated that they lack the expertise, standards, and working knowledge to certify their respective licensees in acupuncture.

The Hawaii Medical Association ("HMA") advised your Committee that when the acupuncture law was first enacted in 1974, it urged the Legislature to consider that acupuncture be performed only by a licensed physician or under the direct

supervision of a physician. The HMA believes that requiring medical practitioners to obtain certification to practice acupuncture is burdensome. It indicated that physicians or dentists who use acupuncture as an adjunct to their practice should be exempt from the provisions of the acupuncture law.

Testimony concerning this bill was also received from a representative of the Citizens' Committee for Fair Acupuncture Laws, the International Association of Oriental Medicine, the Hawaii Association of Licensed Acupuncturists, the Maui and Kauai Acupuncture Associations, and acupuncture practitioners on the Island of Hawaii. These groups suggested that the Board of Acupuncture take over certification responsibility. They emphasized that practitioners of other fields should neither be excused from qualifying, nor denied the privilege to practice acupuncture, by reason of State failure to provide a proper means of certification.

Given the confessed lack of expertise of the dental, medical and osteopathy boards to certify their licensees to practice acupuncture, your Committee believes that the public interest is not being served by the current certification process. It finds that the Board of Acupuncture should take over the acupuncture certification process for practitioners in the dental, medical and osteopathy fields. Your Committee urges the medical and dental professions and the Board of Acupuncture to work together promptly to facilitate the certification of those practitioners for whom acupuncture certification may be appropriate.

Your Committee has amended this bill so as exempt licensed dentists, medical doctors, and osteopaths from the requirements of Chapter 436E, if they are certified by the Board of Acupuncture to practice acupuncture by reason of formal training in acupuncture. This bill, as amended, is not intended to cause any change in the scope of practice of any of the professions involved.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 744, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 607 Consumer Protection and Commerce on H.B. No. 746

The purpose of this bill is to amend Section 448-12(a), Hawaii Revised Statutes, to extend the expiration date of a temporary license to practice dentistry.

Under the current law, a temporary license will expire (1) on the date a person leaves the employment authorized under the temporary license, (2) on the three hundred sixty-fifth calendar day following the date of issuance of the temporary license, (3) on the date a person takes the licensure examination under chapter 448, or (4) on the date the board revokes the temporary license. Under this bill a temporary license would expire on the three hundred and ninety-sixth day rather than the three hundred and sixty-fifth day. This bill also provides that a temporary license will expire upon the date licensure examination results are posted, rather than on the date a licensee takes the examination. Additionally, the bill clarifies that a temporary license will expire on the earliest of the aforementioned four occurrences.

Your Committee received testimony in favor of this bill from the Board of Dental Examiners. The board testified that extending the life of a temporary license from three hundred and sixty-five days to three hundred and ninety-five days, i.e., an additional thirty-one days, would give the outgoing temporary licensee a period of time in which to assist in the training and orientation of new incoming licensees. The board also felt that allowing a temporary license to remain in force until the date the temporary licensee's examination results are posted would allow the licensee to continue to work and provide a service to those in need, rather than to remain idle while awaiting the test results.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 746 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 Peters.

SCRep. 608 Consumer Protection and Commerce on H.B. No. 1659

The purpose of this bill is to amend section 269-28(b), Hawaii Revised Statutes, to increase the maximum penalty for violations of gas transmission safety requirements from \$200,000 to \$500,000 to bring the State penalty provision in conformity with the federal Pipeline Safety Reauthorization Act of 1988.

Your Committee received testimony in favor of this bill from the chairman of the Public Utilities Commission. This testimony indicated that at the last legislative session, Act 254 was enacted to give the Commission the authority to increase the civil penalty for public utilities violations under subsections (a) and (b) of section 269-28, Hawaii Revised Statutes, from \$1,000 to \$25,000 for each day of violation. With this increase, the daily penalties are in conformity with the federal Pipeline Safety Reauthorization Act of 1988. This bill would bring the maximum penalty for section 269-28(b) violations in conformity with the federal Pipeline Safety Reauthorization Act of 1988 as well.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1659 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 Peters.

SCRep. 609 Consumer Protection and Commerce on H.B. No. 1655

The purpose of this bill is to authorize the Public Utilities Commission ("PUC") to regulate and inspect gas pipeline systems that are owned and operated by non-public utility companies or entities. These non-public utility gas pipeline systems are commonly referred to as "master meter systems".

Testimony concerning this bill was presented by the Chairman of the Public Utilities Commission, who advised your Committee as follows. Under a "master meter system," gas is distributed through pipelines by an operator of the system to consumers in a given area. The gas is purchased from an outside source and a fee is charged to consumers at a flat rate or metered rate, if customer meters are installed by the operator. Examples of "master meter systems" are gas pipeline distribution systems situated in public housing projects and apartment complexes.

Pursuant to Chapter 269, Hawaii Revised Statutes, the PUC has the authority to regulate and inspect gas pipeline systems owned and operated by public utilities. Its Chairman reports that the PUC has been conducting inspections of gas pipeline systems since 1970, and since 1979, it has exercised enforcement authority for the safety of pipeline systems. The PUC has been conducting the gas pipeline safety program in conjunction with the Office of Pipeline Safety of the U.S. Department of Transportation.

Gas pipeline distribution systems owned and operated by non-public utility companies are not currently regulated. Your Committee finds that it is in the interest and safety of the public to extend the authority of the Public Utilities Commission to regulate and inspect these systems.

In general, the bill adds a new part with four sections. The first section provides for definitions of gas pipeline distribution system terms referred to in the bill. The second section authorizes the PUC to establish safety standards for pipelines and master meter systems by rules and regulations. The third section authorizes the inspection of the pipeline system, and the fourth section provides for enforcement.

Testimony in favor of this bill was presented by Gasco, Inc. It noted its understanding that the provisions of this bill are intended to apply only to non-public utility companies that operate gas pipelines or master meter systems.

Your Committee is in agreement with the recommendation of Gasco that the definition of "master meter system" on page 3, line 11 of the bill be amended by deleting the words "whether or". The term "master meter system", as amended, would mean "a pipeline system, not owned or operated by a public utility, for distributing gas within a definable area . . . where the operator of the system purchases gas from an outside source for resale through the pipeline system to an ultimate consumer or ultimate consumers at a metered or flat rate or at a price determined in any other manner." The purpose of this amendment is to clarify that the provisions of this bill apply only to non-public utility companies that operate gas pipelines or master meter systems.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1655, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 610 Consumer Protection and Commerce on H.B. No. 749

The purpose of this bill is to amend Section 461J-7, Hawaii Revised Statutes, to clarify the practice of the Board of Physical Therapists in waiving the written examination for licensing candidates from other states.

The present law refers to "reciprocity" for applicants for licensure as physical therapists from other states. The amendment proposed in this bill would replace the term "reciprocity" with the term "examination waiver."

Reciprocity reflects the mutual recognition by one state of the validity of a license to practice granted by another state. An examination waiver enables an applicant to obtain a license without taking the written examination, provided that the applicant has scored equal to or higher than the Board's passing score when the examination was administered in another state.

Your Committee finds that the substitution of examination waiver for reciprocity more accurately describes the practice of the Board of Physical Therapy.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 749 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 Peters.

SCRep. 611 Consumer Protection and Commerce on H.B. No. 1803

The purpose of this bill is to amend Section 269-3, Hawaii Revised Statutes, to provide for the appointment of research assistants by the Public Utilities Commission. These appointees are to be exempt from Chapters 76 and 77, Hawaii Revised Statutes.

Responsibilities of the research assistants will include the following functions: analyzing emerging issues in telecommunications, energy, and other areas subject to the Commission's jurisdiction; identifying the objectives and policies of the State that the Commission should pursue; identifying the available options; analyzing the potential impact

of such options on the utilities and consumers; developing the programs to support the policies, and analyzing the impact of the Commission's decisions within the context of the stated policies.

Your Committee finds that the research assistants are essential to provide needed support in formulating policies to guide the Commission in making regulatory decisions.

Your Committee also finds that the responsibilities and tasks to be performed by research assistants require personnel with special and unique abilities. By exempting these positions from Chapters 76 and 77, the Chair of the Public Utilities Commission would be provided the flexibility to hire and replace the research assistants as program issues and directions change.

Under the present statute, the Chair has the authority to appoint and dismiss a chief administrator and such hearing officers as may be necessary. This bill would extend this authority to include research assistants.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1803 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 Peters.

SCRep. 612 Consumer Protection and Commerce on H.B. No. 943

The purpose of this bill is to amend Section 455-9, Hawaii Revised Statutes, to provide for disciplinary sanctions against unlicensed persons who advertise the practice of naturopathy.

Under the present law, it is illegal to practice naturopathy without a license. However, it is not illegal to advertise the availability of such services.

Your Committee finds that there have been instances where unlicensed persons have advertised and performed naturopathic services. If such advertisement were subject to disciplinary action, the intent of the law would be more easily upheld.

Both the Board of Examiners in Naturopathy and the Hawaiian Society of Naturopathic Physicians testified in favor of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 943 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 Peters.

SCRep. 613 Consumer Protection and Commerce on H.B. No. 653

The purpose of this bill is to extend regulation of contractors under Chapter 444, Hawaii Revised Statutes, to December 31, 1995.

The Contractors License Board advised your Committee that it supports this bill. Your Committee also heard testimony in favor of this bill from the Construction Industry Legislative Organization, Inc. ("CILO"), which is an organization composed of over 400 construction-related firms, associations and individuals. CILO finds that the regulatory function provided by the Contractors License Board is useful, and that its testing and screening procedures provide some assurance that the licensed contractor meets some minimum qualifications.

Your Committee also heard favorable testimony from the Hawaii Flooring Association, Hawaii Roofing Contractors Association, Mason Contractors Association of Hawaii, and the Pacific Insulation Contractors Association. This group believes that it is in the State's best interest and welfare for the Contractors License Board to continue its work. It believes that the State should enhance consumer protection efforts by increasing consumer awareness of contractor licensing requirements. It suggests that the Board take the lead to help resolve problems experienced in the contracting industry, particularly dangers posed by unlicensed contractors.

Your Committee believes that continued regulation of the contractors is in the best interests and welfare of the people of this State.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 653 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 Peters.

SCRep. 614 Transportation on H.B. No. 106

The purpose of this bill is to reduce the minimum vehicle requirement from three to two or more passengers in the High Occupancy Vehicle lane.

Favorable testimony was received by your Committee from the Lieutenant Governor, the Department of Transportation, and the Mililani Paratransit Services.

Your Committee finds that the reduction of the minimum requirement from three to two or more passengers in the High Occupancy Vehicle lane would encourage commuters to participate in ridesharing activities and reduce the number of cars on our highways.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 106 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 615 Transportation on H.B. No. 435

The purpose of this bill is to strengthen the regulations against windblown granular material loads by requiring the loads to be completely covered by a mechanical cover of rigid construction.

Your Committee received testimony on this bill from the State Department of Transportation, the Honolulu Police Department, the Hawaii Roofing Contractors Association, and the Hawaii Transportation Association.

Your Committee finds that windblown loads of granular material have an adverse impact on other motor vehicles traveling behind, or beside trucks carrying such loads. Your Committee also finds that there is some question as to whether a mechanical cover of rigid construction is readily available which would adequately contain granular material loads within motor vehicles traveling at highway speeds.

Your Committee has amended this bill by requiring operators of motor vehicles transporting granular material loads to cover their loads if the load protrudes above the side of the lowest wall of the container area of the motor vehicle, or if the load, where it contacts the sides, front and rear of the cargo container area, protrudes higher than twelve inches from the top of the walls of the container area of the motor vehicle.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 435, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 616 Transportation on H.B. No. 734

The purpose of this bill is to establish the basis for assessing a business transfer fee for the sale of a corporation or other business entity holding a commercial permit for use of a state boating facility.

Your Committee received favorable testimony on this bill from the Department of Transportation.

Your Committee finds that Act 231, Session Laws of Hawaii 1988, amended Section 266-21.1, Hawaii Revised Statutes to reduce speculation in mooring permits. Your Committee further finds that Act 231, Session Laws of Hawaii 1988, did not establish a basis for assessing a business transfer fee, which this bill attempts to accomplish.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 734 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 617 Transportation on H.B. No. 861

The purpose of this bill is to protect the endangered humpback whale by prohibiting the operation of thrill craft in areas in which whales commonly frequent during breeding season.

Your Committee received testimony on this bill from the Department of Transportation, the National Marine Fisheries Service, the West Maui Taxpayers Association, the Maui Hotel Association, representatives of the thrill craft operators industry, and various conservation groups.

Your Committee finds that various species of endangered marine life thrive in Hawaiian waters, including the humpback whale. Your Committee further finds that the National Marine Fisheries Service has recommended that amendments be made to the Ocean Recreation Management Area rules to annually suspend thrill craft and parasailing operations in certain designated areas from December 15 to May 15.

Your Committee has made substantial amendments to this bill by deleting the prohibition against the operation of thrill crafts from December 1 to May 31 of each year in designated areas. As amended, the bill requires the Department of Transportation to adopt rules providing for the suspension of parasailing and thrill craft operations during periods when endangered or threatened species of marine life may be adversely affected by thrill craft and parasailing activities.

Technical and non-substantive amendments were made to the bill in recognition of the Department of Transportation's inherent authority, not only to adopt rules to implement applicable laws, but also to amend and repeal their own rules as may be decided by the Department.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 861, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 618 Transportation on H.B. No. 1830

The purpose of this bill is to repeal Section 261-25, Hawaii Revised Statutes, which names the airport formerly located at Kailua-Kona, Hawaii, Kona Airport.

Your Committee received favorable testimony on this bill from the Department of Transportation.

Your Committee finds that the airport facility was replaced in 1970 by Keahole Airport and was decommissioned. The area described as Kona Airport is now a park administered by the Department of Land and Natural Resources.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1830, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 619 Transportation on H.B. No. 1839

The purpose of this bill is to change the name of the State airport facility located at Hilo, Hawaii, from General Lyman Field to Hilo International Airport.

Your Committee received favorable testimony on this bill from the Department of Transportation.

Your Committee finds that naming airports according to the geographic location of the airport makes identifying the facility easier.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1839 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 620 Transportation on H.B. No. 1920

The purpose of this bill is to decrease the maximum allowable single axle load on any public road, street, or highway, from 24,000 pounds to 20,000 pounds. This bill also redefines "L" and "W" in the formula $W = 900(L + 40)$ that is applicable for axle loads on highways other than interstate highways.

Your Committee received testimony on this bill from the Department of Transportation, the Hawaii Transportation Association, and a representative from the local trucking industry.

Your Committee finds that reducing the maximum allowable single axle loads on motor vehicles will reduce the stress imposed on the State's highway facilities and thereby substantially increase the life of the pavement structure.

Your Committee has amended this bill by establishing new maximum allowable single axle load limits and new maximum single wheel total gross weight limits. Your Committee has further amended this bill by retaining the existing definitions for "W" and "L" in the formula $W = 900(L + 40)$.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1920, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 621 Labor and Public Employment on H.B. No. 132

The purpose of this bill is to amend section 388-2 by limiting to two years the period that an employer may pay employees once a month.

Your Committee finds that currently, the Payment of Wages and Other Compensation Law requires employers to pay their employees at least twice a month unless the employees elect to be paid once a month by a secret ballot election. If the employees elect to be paid once a month, the employer may pay once a month indefinitely unless petitioned.

Your Committee heard favorable testimony on this bill from the Department of Labor and Industrial Relations and a small private law firm.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 132 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 622 Labor and Public Employment on H.B. No. 1072

The purpose of this bill is to amend section 76-16, Hawaii Revised Statutes, to exempt the public high school student position on the Board of Education from the civil service.

Your Committee finds that as the student position is not a popularly elected position it is not currently exempted from civil service requirements.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1072 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 623 Labor and Public Employment on H.B. No. 1506

The purpose of this bill is two-fold: first to repeal podiatrist from the definition of "medical care", "medical services" and "medical supplies", and to amend the definition of "physician" to include podiatrist.

Under the current workers' compensation law, podiatrist are not included in the definition of a physician and therefore can only provide services to injured workers upon referral by the attending physician.

Your Committee received testimony from the Department of Labor and Industrial Relations and several medical professionals in the field of podiatry.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1506 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 624 Labor and Public Employment on H.B. No. 1819

The purpose of this bill is to conform the notice of insurance requirements for out of state employers to the 1988 amendments to section 386-122.

Your Committee received testimony from the Department of Labor and Industrial Relations, Hawaii Independent Insurance Agents Association, and the Hawaii Business League.

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

Signed by all members of the Committee.

SCRep. 625 Housing on H.B. No. 1861

The purpose of this bill is to amend section 201E-62, Hawaii Revised Statutes, to provide that the federal income limits imposed by the Tax Reform Act of 1986 will be used as a basis for setting Hula Mae income limits, and to delete the asset requirements for eligible buyers.

Your Committee received testimony in favor of the bill from the Housing Finance and Development Corporation. This testimony indicated that the administration of the Hula Mae program would be greatly simplified and existing confusion eliminated if federal income limits imposed by the Tax Reform Act of 1986 were used as a basis for setting the Hula Mae income limits. With regard to deletion of the asset requirements for eligible buyers, the testimony received indicated that asset limitations create valuation problems and extra work for lenders which in turn lessens their desire to participate in the Hula Mae program. The National Council of State Housing Agencies has confirmed that Hawaii is the only state in the nation which imposes such asset limitations.

Your Committee has amended this bill to correct certain typographical, technical, and stylistic errors; no substantive changes were made.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1861, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 626 Health on H.B. No. 720

The purpose of this bill is to clarify the purpose of Chapter 325, Hawaii Revised Statutes, which is not clearly stated.

Your Committee finds that the Director of Health's rule making authority is tied to carrying out the purpose of a given chapter and that Chapter 325, which deals with infectious and communicable diseases, is lacking such a purpose section. The Department of Health testified that this measure will clarify the statute.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 720 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 627 Health on H.B. No. 1866 (Majority)

The purpose of this bill is to amend Chapter 323D, Hawaii Revised Statutes, to provide that when the State Health Planning and Development Agency conducts administrative reviews of certificate of need applications pursuant to section 323D-44.5, it shall conduct an informational hearing to allow for public participation early in the process.

Your Committee received testimony in support of this bill from the State Health Planning and Development Agency and in opposition from Hawaii Planned Parenthood. Your Committee finds that the administrative review procedure instituted in 1987 has proven by and large successful in streamlining the Certificate of Need process required for new facilities or services. There have been a handful of applications, however, which technically met the criteria for administrative review, but which engendered much public controversy. An informational hearing before the application is acted upon would enhance the administrative review process.

Your Committee has amended the bill by stipulating that the appropriate subarea council, rather than the State agency itself, shall hold a public information meeting before the agency issues its decision on a certificate of need application for administrative review.

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

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1866, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 628 Judiciary on H.B. No. 574

The purpose of this bill is to allow property owners with less than twenty established parking stalls to remove an abandoned vehicle after posting a notice upon such vehicle stating that if it is not removed within twenty-four hours it will be towed away. The notice will indicate where the vehicle will be towed or provide a telephone number that may be called to ascertain the location of the vehicle.

Your Committee finds the present statute requires owners of private property on which the vehicle is abandoned to post a sign prohibiting parking. This current requirement poses problems for owners of small parcels where few parking spaces are available. This measure provides such owners the flexibility of posting a notice upon the abandoned vehicle.

Your Committee received favorable testimony on this measure from the Department of Finance of the City and County of Honolulu and the Police Department of the County of Kauai.

Your Committee has amended the bill to require that the notice posted upon the abandoned vehicles shall state that if the vehicle is not removed within a seventy-two hour period, instead of twenty-four, the vehicle will be towed away. Your Committee believes that this would provide a more adequate notice to the owners of these vehicles to remove them in a timely manner. The bill was also amended to correct a technical drafting error.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 574, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 574, H.D. 2.

Signed by all members of the Committee except Representatives Peters and Yoshimura.

SCRep. 629 Judiciary on H.B. No. 666

The purpose of this bill is to require convicted persons sentenced to imprisonment as a condition of probation, and who are permitted work releases, to pay thirty per cent of their gross pay earned during the work release to satisfy any restitution orders.

Work release is a special privilege accorded to convicted persons so as to allow for the opportunity of gainful employment. At the same time, the victims who have suffered at the hands of these persons may experience a loss of earnings as a result of their victimization. Your Committee is mindful of this and finds it fair that convicted persons who are given a special break such as work release, be required to pay a part of their gross earnings for restitution. Too often, restitution orders are not fully complied with before the term of probation expires. This measure will ensure compliance and a prompter restoration of victims who have been injured.

Your Committee received favorable testimony from the Department of Correction, the Victim/Witness Kokua Services of the Honolulu Office of the Prosecuting Attorney, and the Public Defender. Your Committee agrees with the testimony of the Department of Corrections which proposed to amend the measure by allowing the Adult Probation Division of the Judiciary to handle the collection and payment of the restitution. The bill has been amended to reflect this change.

Your Committee has further amended the bill by clarifying that this measure is to be applied to those defendants who are incarcerated and who are granted prison work releases. It is the intent of this bill that as to these defendants, thirty per cent of their gross pay will be earmarked for restitution. As to the defendants who are parolled or otherwise not incarcerated, they are to be given every incentive to be self sufficient and to meet their responsibilities toward family or dependents.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 666, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 630 Judiciary on H.B. No. 571

The purpose of this bill, as received by your Committee, is to amend Sections 291-4 and 291-7, Hawaii Revised Statutes, mandating that those convicted of driving under the influence of alcohol or drugs must reimburse or make restitution to the county for any expenses incurred for any blood tests that were administered.

Your Committee heard favorable testimony from representatives of the Judiciary and Department of Transportation. Representatives from the Honolulu Police Department and Kauai Police Department testified that costs of administering blood test are an ever increasing burden on the counties as medical costs escalate and the number of suspected drivers increase. Currently, the cost of such tests is borne by each and every taxpayer. It is appropriate, therefore, that those who engage in such illegal activities be required to make restitution.

Your Committee has amended the bill by deleting Section 2, which amends Section 291-7, Hawaii Revised Statutes, relating to driving under the influence of drugs. Your Committee finds that the subject of drugs is more appropriately treated in another bill that relates to this topic.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 571, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 631 Judiciary on H.B. No. 405

The purpose of this bill is to authorize the search, seizure and forfeiture of "natural resources."

Your Committee finds that the current statute does not contain provisions to authorize the search, seizure and forfeiture of archaeological artifacts, minerals, aquatic life, land plants and parts thereof including seeds. This bill allows the search, seizure and forfeiture of such "natural resources," and defines the words "natural resource" to include any archaeological artifacts, minerals, any aquatic life or wildlife or parts thereof, including their eggs, and any land plants or parts thereof, including seeds.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 405 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 Peters.

SCRep. 632 Judiciary on H.B. No. 404

In November 1988, the Hawaii Supreme Court rendered a decision in State v. Rowley, which invalidated rules adopted by the Board of Land and Natural Resources governing the State Parks System on the grounds that the public hearing notice provisions of Section 91-3, Hawaii Revised Statutes, as interpreted by the Court in the 1982 decision of Costa v. Sunn, had not been complied with when they were originally adopted in 1971 and when they were subsequently amended and reformatting to comply with the administrative rules format required by the Legislature, in 1981. In other words, the Court gave a retrospective application to the Costa v. Sunn ruling. The decision has caused a great deal of uncertainty as to the validity of many existing State rules and regulations.

In order to avoid case by case challenges to the validity of existing State rules on the basis of faulty hearing notices, agencies of the State or counties will need to readopt their administrative rules at great expense to the taxpayers. To avoid this consequence and to eliminate the confusion generated by the Rowley decision, the purposes of this bill are to:

- (1) Expressly ratify and validate all administrative rules and rule amendments and repeals that were filed pursuant to Section 91-4, Hawaii Revised Statutes, before the effective date of this Act, to the extent that those

administrative rules and rule amendments and repeals shall be considered to be free from any noncompliance with the statutory procedural requirements for the adoption, amendment, or repeal of administrative rules;

- (2) Provide clarifying statutory wording that will expressly enable agencies to publish notices that generally describe the subjects involved or the purposes to be achieved by a proposed rule with a description of where copies of the proposed rule are available for detailed public inspection or copying, instead of including in the notice a statement of the substance of the proposed rule; and
- (3) Impose a two-year limitations period on challenges to the validity of any adopted administrative rule adoption, amendment, or repeal on the basis of noncompliance with the procedural requirements for rule adoption, amendment, or repeal.

Your Committee received testimony in favor of the bill from the Department of the Attorney General, the Department of Human Services, and the Department of Land and Natural Resources.

Your Committee received testimony from Common Cause Hawaii expressing concern that this bill would ratify and validate all existing state rules and regulations. Additionally, Common Cause expressed concerns about the changes this bill would make to the public hearing notice requirements in Section 91-3, Hawaii Revised Statutes and the statute of limitations this bill would create for challenges to any adopted administrative rule, amendment or repeal on the basis of noncompliance with the procedural requirements for rule adoption, amendment, or repeal.

Common Cause testified that the provisions of the bill may allow departments and agencies to become careless with their rule-making procedures and may place an unwarranted burden upon the public to participate in the rule-making process.

Your Committee, upon consideration of these concerns, has made the following amendments to H.B. No. 404:

- (1) Amend Section 1, page 1, line 11, of the bill by inserting \$10,000,000 in the blank space;
- (2) Amend Section 1, page 4, line 2 by changing the first purpose of the bill so that only rules and rule amendments and repeals that were in existence before the close of business on December 31, 1986 are ratified and validated;
- (3) Amend the third purpose of the bill set forth in Section 1, page 4, line 17 to change from two to three years, the statute of limitations period for challenges to rules, rule amendments and repeals;
- (4) Amend Section 2, page 5, line 4 to provide thirty, instead of twenty days' notice of a public hearing;
- (5) Amend Section 2, page 6, lines 5-20, to set out more clearly the alternative methods of giving notice of a public rule-making hearing and to require that any interested party may make a timely request for a free mailed copy of the proposed rule to be adopted, the proposed rule amendment or the rule proposed to be repealed.
- (6) Amend Section 2, page 8, lines 19-22 and page 9, lines 1-9 to provide that no adoption, amendment, repeal of any rule shall be invalidated solely because of the inadvertent failure to mail an advance notice of rule-making proceedings or the inadvertent failure to mail or the nonreceipt of requested copies of the proposed rule to be adopted, the proposed rule amendment, or the rule to be repealed.
- (7) Amend Section 2, page 9, line 3 to change from two to three years the statute of limitations period for procedural challenges to the adoption, amendment or repeal of a rule.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 404, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 633 Judiciary on H.B. No. 401

The purpose of this bill is to establish a special assistant to the State Attorney General as a permanent position in the Department.

Your Committee heard testimony from the Department of the Attorney General, stating that the Attorney General, by virtue of his position in State Government, has memberships or interest in numerous national, regional, state and local organizations. A special assistant will monitor, coordinate, and in the event of a scheduling conflict, represent the Attorney General at various committee and organization meetings. This bill will allow the Attorney General to more actively participate in, and contribute to, these various committees and organizations. Further, the special assistant will coordinate all of the Attorney General's non-legal responsibilities and function as a trouble shooter and special assignments person for the Attorney General. Finally, the special assistant will function as the legislative coordinator and the public information officer for the Department.

Your Committee further finds that the establishment of this position was recommended by the Legislative Auditor.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 401 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 Peters.

SCRep. 634 Judiciary on H.B. No. 112

The purpose of this bill is to amend Section 708-812, Hawaii Revised Statutes, to prohibit the informed possession or duplication, without authorization, of any master or duplicate key by a person who intends or knows that some other person intends to use it to gain unlawful entry. In addition, this bill amends Sections 708-838 and 708-839, Hawaii Revised Statutes, to prohibit (1) the unauthorized removal of a "do not duplicate" statement from a key; and (2) the possession of a key from which the "do not duplicate" statement has been removed for the purpose of obtaining an unauthorized copy. The bill also makes gender neutralizing amendments to Sections 708-812 and 708-838.

Your Committee received testimony in support of this bill from a concerned member of the public.

Your Committee has amended this bill to correct certain typographic, technical and stylistic errors; no substantive changes have been made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 112, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 635 Finance on H.B. No. 695

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 1 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 695, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 636 Finance on H.B. No. 696

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 2 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 696, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 637 Finance on H.B. No. 697

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 3 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 697, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 638 Finance on H.B. No. 698

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 4 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 698, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 639 Finance on H.B. No. 699

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 5 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 699, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 640 Finance on H.B. No. 700

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 6 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 700, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 641 Finance on H.B. No. 701

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 7 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 701, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 642 Finance on H.B. No. 702

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 8 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 702, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 643 Finance on H.B. No. 703

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 9 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 703, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 644 Finance on H.B. No. 704

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 10 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 704, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 645 Finance on H.B. No. 705

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 11 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 705, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 646 Finance on H.B. No. 706

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining Unit 13 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1989-1991.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10 (b), Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1989.

Since an agreement for the bargaining unit may not be reached in time to include the cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 706, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 647 Finance on H.B. No. 707

The purpose of this bill is to provide fund authorizations and appropriations for wage and other adjustments in fiscal biennium 1989-1991 for executive, judiciary, and legislative officers and employees excluded from collective bargaining.

Section 89C-2, Hawaii Revised Statutes, stipulates that the compensation, laws, terms, and conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the chief executive of the State, the Board of Education, the Board of Regents, or the Chief Justice, as applicable. Further, Section 89C-5, Hawaii Revised Statutes, stipulates that any adjustments that constitute cost items shall be subject to appropriation by the Legislature.

Since these adjustments may not be formulated in time to include the resulting cost items in the 1989-1991 biennium budget, this separate measure may be necessary.

Your Committee has amended this bill to change the appropriated amount to \$1 for discussion purposes. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 707, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 648 Finance on H.B. No. 1796

The purpose of this bill is to provide a suitable alternative penalty for contractors who engage or utilize subcontractors other than those subcontractors named in their bids. This bill bars those contractors violating the law from bidding on public contracts for a period not to exceed six months.

Your Committee finds that many times responsible contractors have been frustrated by the fact that contractors who violate the State's bidding rules go unpunished. This bill will ensure that future violators will not profit from their violations.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1796 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 649 Finance on H.B. No. 631

The purpose of this bill is to amend Section 11-15, Hawaii Revised Statutes, to provide for the registration of voters by the use of a self-subscribing oath prescribed by the chief election officer.

Your Committee finds that the current notary requirement constitutes an obstacle to people who want to register, and that the elimination of the requirement would make the process of voter registration more convenient.

Your Committee made technical amendments to reflect the appropriate effective date and to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 631, H.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 631, H.D. 2.

Signed by all members of the Committee.

SCRep. 650 Finance on H.B. No. 35

The purpose of this bill is to appropriate funds to design and construct the Kakaako Waterfront Park that represents an important element in the first phase of the Honolulu Waterfront Master Plan.

Your Committee finds that the creation of a "lei of green" through a system of parks and landscaped promenades along the water's edge between the Ala Wai to Keehi Lagoon is a major component of the Honolulu Waterfront Master Plan.

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 H.B. No. 35, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 35, H.D. 2.

Signed by all members of the Committee.

SCRep. 651 Finance on H.B. No. 1818

The purpose of this bill is to appropriate \$90,000,000 for the acquisition of approximately sixty-seven acres of the Kapalama Military Reservation.

Your Committee finds that these lands represent the last large, contiguous area available for waterfront-industrial uses in the vicinity of Honolulu Harbor and are critically needed for the expansion of maritime operations.

Your Committee further finds that the U.S. Corps of Engineers is mandated under public law to auction a 44-acre portion in May 1989. This presents an exceptional and perhaps, a once-in-a-lifetime opportunity for our State.

The bill has been amended to provide for the issuance of \$90,000,000 of general obligation bonds as a substitute for the original general revenues appropriation, and to include a declaration of findings that this bond issuance will not cause the debt limit to be exceeded.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1818, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1818, H.D. 1.

Signed by all members of the Committee.

SCRep. 652 Finance on H.B. No. 694

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

Your Committee received testimony from the Attorney General's Office indicating that since this measure was first introduced, additional cases have been settled or resolved for additional amounts for which the Attorney General recommends payment.

Your Committee has amended the bill by the inclusion of the additional cases as recommended. Other 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 H.B. No. 694, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 694, H.D. 2.

Signed by all members of the Committee.

SCRep. 653 Consumer Protection and Commerce on H.B. No. 942

The purpose of this bill is to amend Section 455-7, Hawaii Revised Statutes, to require a passing score on each part of the examination for licensure as a Naturopathic Physician, rather than on a composite score of the entire examination.

Your Committee finds that with the present language, the passing score is based on the entire examination. This makes it possible for a candidate to obtain low scores on some parts of the examination, and still receive an overall passing grade for licensure by offsetting low scores on some parts with high scores on other parts. This bill would require a passing grade on each part of the examination.

Your Committee finds that Hawaii is the only state which permits an applicant to be licensed without receiving a passing grade on each section of the National Naturopathic Licensing Examination, and is in agreement that upgrading Hawaii's requirement is desirable.

Your Committee has made a technical, nonsubstantive amendment to this bill to indicate new material correctly.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 942, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hagino and Hayes.

SCRep. 654 Consumer Protection and Commerce on H.B. No. 1597

The purpose of this bill is to clarify the definition of a specialty contractor under Chapter 444, Hawaii Revised Statutes.

Section 444-7(d), Hawaii Revised Statutes, defines a specialty contractor as "a contractor whose operations as such are the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts." This bill would amend Section 444-7(d) to list specific examples of special skills such as, but not limited to, electrical, drywall, painting, landscaping, floor covering, plumbing, and roofing work.

Your Committee heard testimony on this bill from the Contractors License Board. The Board has no objection to this bill, and informed your Committee that the examples of special skills listed in the bill are reflective of specialty classifications already established by the Board.

The Subcontractors' Association of Hawaii testified in favor of this bill. It suggested that the bill be amended to specifically add "carpet installed by the tackless strip method" to the special skills list.

Your Committee believes that this bill offers a useful clarification of the definition of a specialty contractor. It is in agreement with the amendment suggested by the Subcontractors' Association, and has amended the bill appropriately.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1597, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hagino and Hayes.

SCRep. 655 Consumer Protection and Commerce on H.B. No. 222

The purpose of this bill is to (1) extend regulation of collection servicing agents to December 31, 1995; (2) delete mortgage servicing agents from regulation under Chapter 454D, Hawaii Revised Statutes; (3) require servicing agents to provide each customer with annual and closing statements which show the amounts received and disbursed with any remaining balances; and (4) amend the title of Chapter 454D to "Real Estate Collection Servicing Agents".

Your Committee heard testimony in favor of this bill from the Department of Commerce and Consumer Affairs. This testimony indicated that the bill implements the recommendations made by the Legislative Auditor in his Sunset Evaluation Report, Report No. 88-20, Regulation of Mortgage and Collection Servicing Agents. The Department agrees with the recommendations made by the Legislative Auditor.

The Department also testified that with the deletion of mortgage servicing agents from regulation under Chapter 454D, these agents will only be regulated under Chapter 454. This will result in a decrease in the amount of the required bond of such agents from \$50,000 under Chapter 454D, to \$15,000, the amount presently required of mortgage brokers under Chapter 454. The Department urged your Committee to increase the bonding requirement for mortgage brokers to \$50,000.

Your Committee is in agreement with the recommendations of the Department of Commerce and Consumer Affairs. Your Committee intends to increase the bonding requirement for mortgage brokers to \$50,000 by appropriate amendment to H.B. No. 221, relating to mortgage brokers and solicitors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 222 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 Hagino and Hayes.

SCRep. 656 Consumer Protection and Commerce on H.B. No. 1599

The purpose of this bill is to clarify the authority of the Commissioner of Securities to adopt rules in accordance with Chapter 91, Hawaii Revised Statutes, as necessary to carry out the purposes of Chapter 485, Hawaii Revised Statutes.

Your Committee heard testimony in favor of this bill from the Commissioner of Securities. The Commissioner advised your Committee that rulemaking authority was included in Chapter 485, Hawaii Revised Statutes prior to Act 373, S.L.H. 187. Act 373 created the position of Commissioner of Securities and the language relating to rulemaking was deleted, in an apparent oversight.

Your Committee believes that the deletion of the Commissioner's rulemaking authority was inadvertent, and should be expressly restored.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1599 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 Hagino and Hayes.

SCRep. 657 Health on H.B. No. 831

The purpose of this bill is to require the Department of Health to specify procedures for the screening of tardive dyskinesia in mental health patients being treated, or about to be treated, with psychoactive or neuroleptic drugs.

Your Committee received testimony in support of this measure from the Department of Health, the Commission on the Handicapped, the Hawaii Psychological Association, the Handicapped Network, the Office of United Self-Help and the Hawaii Mental Health Consumer Council which suggested several amendments. The Hawaii Medical Association and the Hawaii Psychiatric Association submitted testimony in opposition to the bill; however, your Committee believes that many of their concerns were addressed in the aforementioned amendments.

Your Committee finds that tardive dyskinesia is a serious side effect associated with long term use of certain major tranquilizers, also known as neuroleptic or psychoactive drugs. Tardive dyskinesia is a syndrome characterized by abnormal, involuntary movements which typically occur during long term administration of some anti-psychotic medications used to control symptoms of schizophrenia, manic depression, and psychosis associated with depression and other serious mental illness.

Your Committee finds further that the symptoms characteristic of this condition add to the stigmas associated with mental illness. There are other populations who may be affected by this side effect as well, most notably the institutionalized elderly who are sometimes given these medications. Your Committee wishes to note that because the statute addressed in this legislation refers only to people with mental illness, we are unable to mandate similar testing for other populations. It is our understanding, however, that such testing is already underway among the developmentally disabled population, and that there is widespread recognition among providers that tardive dyskinesia is a problem for other populations as well.

Your Committee also finds that the test for this condition is a simple, inexpensive visual test. The majority of those testifying, including the Department of Health, stated that mandating this testing, as required by this bill, would enforce a practice that should be the professional standard of care.

Your Committee has amended the bill as per the recommendations in the testimony of the Hawaii Mental Health Consumer Council with the concurrence of the Department of Health as follows:

1) In Section 1 (a) we have deleted the phrase "or about to be treated" since the side effects do not show up until treatment has been underway for some time, and have replaced the phrase "psychoactive or neuroleptic drugs" with "medications that include tardive dyskinesia as a possible side effect" since not all of the former medications can trigger the problem.

2) We have made similar changes in subparagraph (b) and have also deleted the phrase dealing with religious objections to the performance of the test, but left in language which permits a patient or their guardian to object to administration of the test on any grounds and to have such objection noted in the patient's medical record.

3) In subparagraph (c) dealing with the adoption of departmental rules, paragraph (4) has been amended to specify that the reporting of test results shall be to the patient and that there shall be written documentation in the case record.

4) Paragraph (5) has been amended to provide for documented re-examination of patients with positive test results at least once every six months if the patient agrees to such re-tests.

Non-substantive changes have also been made for purposes of form and clarity.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 831, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 658 Health on H.B. No. 719

The purpose of this bill is to amend the tuberculosis reporting law so that the specifics of reporting will be contained in the Department of Health's administrative rules and to add pharmacy notification of drugs used to treat tuberculosis as a means of tuberculosis surveillance and drug utilization review. The purpose of this bill has been modified by deleting the requirement for notification to the Department of Health by pharmacies.

Your Committee received testimony from the Department of Health in support of this measure. The Hawaii Federation of Physicians and Dentists and the Hawaii Medical Association supported the bill with the exception of Section 1 (c) which calls for pharmacies to report certain detailed information to the Department of Health including the identity of the patient, the prescribing physician, the dispensing pharmacy, etc. Your Committee finds that the medications prescribed for tuberculosis are also prescribed for non tuberculosis patients who are infected with related organisms posing no health threat to the public. Requiring pharmacists to report such extensive information to the Department raises questions of confidentiality, potential interference in the physician-patient relationship, and finally why such extensive information is necessary or desirable for the control of tuberculosis.

Your Committee has thus amended the bill by deleting the original subsection (c) of Section 1 and relettering the subsequent subsections.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 719, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 659 Health and Judiciary on H.B. No. 718

The purpose of this bill is to amend Chapter 348E, Hawaii Revised Statutes, by replacing the term "handicapped" with "persons with disabilities" in order to make the statute consistent with contemporary terminology and federal mandate. The bill also degenders the term "chairman" by changing it to "chairperson" and clarifies the type of planning activities conducted by the Commission.

Your Committees heard testimony in favor of the bill from the Commission on the Handicapped, the Department of Education, the President's Committee on the Employment of People with Disabilities, the Mayor's Advisory Committee on the Handicapped, the State Planning Council on Developmental Disabilities, the Department of Health, the Hawaii Mental Health Consumer Council and the Hawaii Centers for Independent Living.

Your Committees find that the term "handicapped" is now considered negative stereotyping and more organizations are changing their names to reflect this perception. The term "persons with disabilities" focuses on the person rather than the disability and is more positive.

Your Committees have deleted the term "planning" in Section 4 (3) of the bill and replaced it with "data collection" in order to give the Commission the opportunity to meet with other agencies who have a planning role in this area to determine the appropriate function of each agency. The phrase, "or their representatives," has been inserted in Section 3

of the bill after the list of ex officio voting members to more accurately reflect what has been the representation on the Commission.

Your Committees also have made amendments to correct certain typographic, technical, and stylistic errors.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 718, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 718, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 660 Higher Education and the Arts on H.B. No. 1885

The purpose of this bill is to authorize the Hawaii public broadcasting authority to forego the bidding process when necessary to make purchases essential for transmission or production services.

The present law requires the Hawaii public broadcasting authority to obtain all purchases through the State's mandated bidding process. Replacement of transmission or production equipment or structural parts valued at \$4,000 or above must comply with the bidding process.

Your Committee heard testimony in support of this bill from the department of commerce and consumer affairs. This testimony indicated that interruption of transmission or production services because of the failure of parts that cost \$4,000 or above may result in possible danger to public safety and may jeopardize the authority's standing nationally and internationally in meeting transmission or production agreements.

Your Committee finds that the authority's ability to respond in a timely fashion to maintain transmission or production services is in the public interest. Your Committee also finds that accountability for departmental and agency expenditures is a concern of the legislature and therefore requests the department of commerce and consumer affairs to submit an account of all expenditures made exempt from the bidding process by passage of this bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1885 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 Hirayama.

SCRep. 661 Human Services on H.B. No. 1903

The purpose of this bill is to repeal language requiring the Director of the Department of Human Services to appoint one administrator for each Hawaii county. The bill is a housekeeping measure as the Department is now organized by divisions, and each division has branch offices in the counties.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1903 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 662 Human Services on H.B. No. 1843

The purpose of this bill is to amend the eligibility standards for general assistance when a disabled person is determined to have a mental impairment. The bill adds language allowing for exceptional situations, where the mental health professional making the mental impairment determination can also be the professional providing the on-going treatment.

Your Committee heard that in several communities where there is only one Medicaid psychologist or psychiatrist in practice, it is very difficult to meet the requirement that the professional making the impairment determination be different than the professional giving the ongoing out-patient treatment. The Department of Human Services testified that request for exceptions created by this bill would be approved by the Department's psychiatric consultant.

While your Committee agrees that the intent of the bill is better provision of services to impaired people, your Committee believes that situations requiring this exception must be monitored by the Department of Human Services. Your Committee requests that the Department issue rules and regulations that clearly define exceptional situations and require an annual review of where those exceptions are made and how heavily they are invoked.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1843 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 663 Human Services on H.B. No. 753

The purpose of this bill is to require general assistance applicants and recipients to apply for and provide a social security number as a condition of eligibility.

Your Committee heard from the Department of Human Services that this bill is a housekeeping measure that will standardize general procedures for all department programs. Currently Social Security numbers are a condition of eligibility for the Aid to Families with Dependent Children, Medicaid and Food Stamp programs.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 753 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 664 Finance on H.B. No. 1801

The purpose of this bill is to abolish the Aloha Tower Development Corporation and to transfer the responsibility of the Aloha Tower complex to the Hawaii Community Development Authority, and to incorporate the Aloha Tower complex into the Kakaako Community Development district.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1801, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1801, H.D. 2.

Signed by all members of the Committee.

SCRep. 665 Finance on H.B. No. 1251

The purpose of this bill is to address the needs of the elderly housing residents of the State by extending two housing demonstration projects involving: (1) direct services of professionally trained resident assistants; and (2) empowering tenants and housing complex managers to resolve differences without the aid of a full-time resident assistant.

Your Committee finds that a significant need exists for professional and knowledgeable assistants to the elderly living independently in housing facilities. The demonstration project established by this bill is a major step toward fulfilling this need.

Technical, nonsubstantive revisions have been made to the bill to correct a typographical error, and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1251, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1251, H.D. 1.

Signed by all members of the Committee.

SCRep. 666 Finance n H.B. No. 1847

The purpose of this bill is to amend the requirements of confidentiality of medical records on patients with human immunodeficiency virus (HIV) infection, AIDS related complex (ARC), or acquired immune deficiency syndrome (AIDS).

The first amendment allows private health care practitioners to release medical records on patients with the HIV infection to the Department of Health. Confusion about whether this is allowable under current law has prevented the Department from informing those who may have been exposed to the HIV infection. This bill will clarify that private practioners may give the necessary information to the Department.

The second amendment clarifies the law on reporting confidential information. Federal AIDS funds to Hawaii are proportional to the total number of cases reported to the Centers for Disease Control. However, current reporting procedures, which require that the patient must not be identified, prevents the Department from making an accurate count of the number of AIDS patients in the State. This bill will permit reports to the Department to include identifying information while insuring against public disclosure.

Technical, nonsubstantive amendments have been made for clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1847, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1847, H.D. 2.

Signed by all members of the Committee.

SCRep. 667 Finance on H.B. No. 1438

The purpose of this bill is to create renewed awareness of the benefits of electronic information services and to promote the development of public information services.

Your Committee recognizes that there are significant opportunities for State government to improve communication with the public.

Your Committee finds that the use of an information network to communicate information to the public needs to be coordinated and that the Department of Budget and Finance shall coordinate the State's telecommunication and information service.

Based on the testimony presented by the Department of Budget and Finance, your Committee has amended this bill as follows:

- (1) Required the Department of Budget and Finance to develop a plan for state information and services to be delivered through the state information network and gateway services. References creating potential conflicts with Chapter 92, Hawaii Revised Statutes, have been deleted. The Department will form an advisory committee of state agencies, the Department of Education, and public libraries to assist in the development of the plan;
- (2) Added an appropriation of \$100,000 to the Department of Budget and Finance for the development of the plan for fiscal year 1989-1990; and
- (3) Reduced the appropriation to the Department of Education for the development and implementation of a pilot videotex information service program from \$1,400,000 to \$1,300,000.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1438, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1438, H.D. 2.

Signed by all members of the Committee.

SCRep. 668 Finance on H.B. No. 1821

The purpose of this bill is to strengthen the State's efforts to preserve resource value lands. This bill amends Chapter 173A, Hawaii Revised Statutes, by broadening the provisions for acquisition and management of these lands and provides for the continued administration of land banking through the Department of Land and Natural Resources (hereafter referred to as "DLNR").

Your Committee has amended the bill:

- (1) To provide for the development of interpretive programs that would enhance the appreciation of the resource value lands acquired throughout the State:
 - (A) A new Section 1 has been inserted to require DLNR to prepare and update a plan for the enhancement of recreational opportunities on these lands;
 - (B) A new Section 2 has been inserted that adds a new part to Chapter 184, Hawaii Revised Statutes, that requires DLNR to establish and manage a state parks interpretive program to be known as the 'Aina Hoomalu State Parks Program that would be funded through the Fund for the Environment established under Section 173A-5, Hawaii Revised Statutes;
 - (C) The title of Chapter 173A has been broadened to reflect not only the acquisition of resource value lands, but also the development of these lands in terms of interpretive programs; and
 - (D) Similarly, additional language has been inserted into two other sections of the amended bill: on page three, lines 18-21 of Section 173A-1 (the purpose clause), and on page 6, lines 12-13 of Section 173A-8 (development of land acquired by the board) to include provisions for the developmental programs;
- (2) To allow start-up time to gradually phase in the acquisition and development of resource value lands, the appropriation for fiscal year 1989-1990 has been reduced to \$10,000,000; and
- (3) To emphasize the need for the State to consider the acquisition of Coconut Island on Oahu, DLNR is directed to accord priority consideration for the purchase of this site.

Your Committee has also 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 H.B. No. 1821, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1821, H.D. 2.

Signed by all members of the Committee.

SCRep. 669 Finance on H.B. No. 1416

The purpose of this bill is to appropriate funds for the establishment of four adolescent day treatment programs, one each on the islands of Molokai, Maui, Hawaii and Kauai.

It is the understanding of your Committee that the establishment of out-patient services in the form of adolescent day treatment programs will enable adolescents experiencing severe emotional problems to receive intensive psychiatric day treatment, as well as psychological, social and educational services.

The sum of \$1 has been inserted in the appropriation section for each year of the biennium for the purposes of continued discussion. Other nonsubstantive, technical revisions have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1416, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1416, H.D. 2.

Signed by all members of the Committee.

SCRep. 670 Finance on H.B. No. 69

The purpose of this bill, as received by your Committee, is to establish a Child Care Task Force and the position of a Child Care Administrator within the Office of Children and Youth. The bill also provides for a two-year pilot program providing tuition waivers for children in targeted areas and appropriates funds for other related programs.

Your Committee has amended this bill by changing all references to the title of "child care-early childhood education administrator" to "early childhood education/child care administrator."

The bill has also been amended by requiring the Office of Children and Youth to adopt rules pursuant to chapter 91 to implement this Act. This will provide a better foundation for long-term implementation.

In addition, the bill has been further amended to require the Office of Children and Youth to submit an evaluation report to the Legislature before the Regular Session of 1991.

The appropriation provisions have been amended as follows:

- (1) The Office of Children and Youth shall expend \$750,000 for fiscal year 1989-1990 and \$2,300,000 for fiscal year 1990-1991 for the implementation and staffing of the pilot program. The sum was reduced by one-half to give agencies time to gear up for implementation;
- (2) The Office of Children and Youth shall expend \$850,000 for fiscal year 1989-1990 and \$400,000 for fiscal year 1990-1991 to develop a child care resource lending center and for partnership grants to the counties for the establishment or expansion of demonstration school-age child care-early childhood education programs. This has been reduced and will be subject to review in the 1991 report by the Office of Children and Youth;
- (3) The Department of Health shall expend \$214,540 for fiscal year 1989-1990 and \$170,164 for fiscal year 1990-1991 for a subsidized child care demonstration project; and
- (4) The Department of Business and Economic Development shall expend \$200,000 for fiscal year 1989-1990 and \$194,863 for fiscal year 1990-1991 to establish a Business Management and Technical Assistance Program and for an Information Outreach Program to educate businesses on child care issues and options through conferences, seminars, consultations, and partnerships.

Other technical, nonsubstantive amendments have been made for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 69, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 69, H.D. 2.

Signed by all members of the Committee.

SCRep. 671 Finance on H.B. No. 258

The purpose of this bill is to develop an individualized transition plan for each student with disabilities, age fifteen and over, enrolled in the public schools, and to appropriate funds for the hiring of a transition coordinator, clerical support staff, and thirty transition specialists to ensure timely, quality implementation of individualized plans consistent with the intent of federal mandates.

Your Committee finds that handicapped students constitute a significant untapped resource. As a special needs group, extra efforts are required to facilitate their entrance into the labor force. By assisting them with individualized planning and counseling services, we will further ensure they are provided with an optimum education and increasing vocational options for a productive life as contributing members of our community.

Your Committee has amended this bill to appropriate funds in the sum of \$4 for fiscal biennium 1989-1991. 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 H.B. No. 258, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 258, H.D. 2.

Signed by all members of the Committee.

SCRep. 672 Finance on H.B. No. 919

The purpose of this bill is to improve the criminal injuries compensation process by amending Chapter 351, Hawaii Revised Statutes.

More specifically, this bill establishes a panel to submit names of nominees to the Governor for the Criminal Injuries Compensation Commission and increases the compensation of the commission and the chairperson. The bill also creates an administrative review procedure to determine the proposed awards.

This bill attempts to improve the current compensation process in several ways. In Section 1, two important definitions, "designated persons" and "resident", are added while the existing definition of "victim" is further clarified. Inclusion of the definition of "designated persons" would provide guidance to the commission in following the provision requiring victims to be notified of their right to have payments from their award given to someone so designated. A new definition of "resident" would facilitate the proposed expansion of the definition of "victim" to include any resident who is injured or killed in another state not having a crime victim compensation program.

Significantly, this measure proposes to provide for full compensation of victims of motor vehicle crimes and domestic violence. As for applications submitted beyond the eighteen month time limit, this measure would allow the commission to consider the same upon a showing of good cause.

Your Committee has amended this bill by deleting Sections 2 and 3, the references to the establishment of the panel and increases in compensation. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 919, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 919, H.D. 2.

Signed by all members of the Committee.

SCRep. 673 Finance on H.B. No. 1157

The purpose of this bill is to require the State Foundation on Culture and the Arts (Foundation) to establish an individual artist fellowship program.

Upon further consideration, your Committee has amended the bill by:

- (1) Requiring the Foundation to establish an exhibit program; and
- (2) Appropriating \$25,000 for each year of the fiscal biennium for the artist fellowship program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1157, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1157, H.D. 2.

Signed by all members of the Committee.

SCRep. 674 Finance on H.B. No. 180

The purpose of this bill is to establish the Ocean Thermal Energy Conversion Fund (Fund) and to deposit moneys into this Fund to encourage the development of ocean thermal energy conversion projects for commercial applications. The bill also allows matching funding from non-state sources and provides that the ownership of all equipment and facilities financed by the Fund shall revert to the State upon termination of each project.

Your Committee finds that because of significant contributions to ocean thermal energy conversion research, development, and demonstration Hawaii continues to be a world leader in this field. Moreover the establishment of a Fund would provide the State an opportunity to design, construct, and operate on a continuous basis, a larger-scale ocean thermal energy conversion facility.

The bill has been amended by inserting \$1 in the appropriations section for purposes of continued discussion.

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

Signed by all members of the Committee.

SCRep. 675 Finance on H.B. No. 845

The purpose of this bill is to establish a program of early intervention and case management services for infants and toddlers with special needs and their families, and to establish a central directory of services for this population.

Your Committee finds that the provision of these services would be of great assistance in promoting the development of infants with special needs and assisting their families to meet the special needs of these children.

For purposes of continued discussion, your Committee has amended this bill by reducing the appropriation to \$1. The effective date has been changed to July 1, 1989. Other 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 H.B. No. 845, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 845, H.D. 2.

Signed by all members of the Committee.

SCRep. 676 Finance on H.B. No. 1850

The purpose of this bill is to provide an appropriation of State funds into the water pollution control revolving fund and to allow the Director of Health to make grants, loans, or a combination of grants and loans to the counties.

Your Committee finds that the total federal capitalization grants of \$63 million which the State expects to receive up to the year 1994 is not adequate to finance the needed wastewater treatment facilities and, thus, that the State should assist in providing funds and financing mechanisms such as grants, loans, or a combination of grants and loans to aid political subdivisions in the construction of wastewater projects.

The sum of \$1 has been inserted into the appropriations section for the purpose of continued discussion. Other technical, nonsubstantive amendments have been made to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1850, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1850, H.D. 2.

Signed by all members of the Committee.

SCRep. 677 Finance on H.B. No. 976

The purpose of this bill is to ensure the continued availability and cooperation of witnesses in criminal cases by increasing the fees and per diem payments for those witnesses.

More specifically, the bill increases the fee paid to witnesses from \$10 to \$20. The per diem allowance paid to witnesses traveling from one island to another island would be increased to \$55. The bill additionally includes out-of-state witnesses, who would receive a \$110 per diem payment. Per diem payments are to be computed on the basis of quarter-day time periods.

Upon further consideration, your Committee has amended the bill to provide that mileage fees be established pursuant to rules adopted by the Judiciary.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 976, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 976, H.D. 1.

Signed by all members of the Committee.

SCRep. 678 Finance on H.B. No. 1851

The purpose of this bill is to create statutorily the position of Special Assistant to the State Librarian to assist the State Librarian in special projects, studies, investigations, and other activities. The bill also creates a position of Secretary to the Special Assistant.

Your Committee received testimony in support of the bill from the State Librarian, who emphasized that the Hawaii State Public Library System requires the full-time attention of a special assistant to assume responsibility for special projects and investigations, legislation, public information, and coordination with various State and national organizations. In this regard, the State Librarian described specific activities in which the special assistant would be involved.

Currently, a temporary position of Special Assistant exists. The State Librarian testified that the Special Assistant has proven to be invaluable, and has demonstrated that the temporary position should be made permanent.

Technical, nonsubstantive changes have been made to the bill for purposes of style and clarity, and to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1851, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1851, H.D. 1.

Signed by all members of the Committee.

SCRep. 679 Finance on H.B. No. 34

The purpose of this bill is to create a water resource management special fund.

Based on the recommendations made, your Committee has expanded the purpose of this bill to ensure the protection and improvement of the watersheds of the State. Accordingly, your Committee has amended the bill by:

- (1) Deleting the definition of "hydrographic area";
- (2) Adding the control and eradication of noxious weeds and the control of ungulates in important watersheds within the purposes the commission may expend moneys from the fund;
- (3) Deleting the acquiring of real property and easements from the purposes the commission may expend moneys from the fund, and instead provided that the commission may assist the Department in acquiring real property and easements pursuant to Section 174C-14;
- (4) Deleting the proposed section about the development of management plan;
- (5) With regard to the composition of local advisory groups, replacing consumers of water with individuals with expertise in hydrology, resource conservation, and related watershed resource management fields; and
- (6) Providing that the commission approve and submit a report of its activities annually.

In addition, the bill was amended by reducing the appropriation to \$500,000 for fiscal year 1989-90. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 34, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 34, H.D. 2.

Signed by all members of the Committee.

SCRep. 680 Finance on H.B. No. 298

The purpose of this bill is to provide a tax credit of \$0.05 per beverage container for containers that a recycling manufacturer purchases and refills within the State, and a credit of \$0.03 per beverage container for those containers that a recycling center purchases and crushes for shipment outside the State.

Your Committee finds that this bill would provide beverage container manufacturers and recycling centers with a tax credit to offset their costs in purchasing and recycling beverage containers, thereby providing consumers with more incentives to collect and recycle glass beverage containers.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 298, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 298, H.D. 2.

Signed by all members of the Committee.

SCRep. 681 Finance on H.B. No. 913

The purpose of this bill is to replace the \$60 across-the-board level of care (LOC) payment to residents of adult residential care homes with a graduated schedule of payments according to level of care and facility type.

For the Type I facilities, which are limited to a maximum of five residents, the level of care payments are increased to the following minimum amounts: \$140 for LOC I, \$210 for LOC II, and \$290 for LOC III. For the Type II facilities, which are allowed six or more residents, the level of care payments are increased to the following minimum amounts: \$248 for LOC I, \$210 for LOC II, and \$290 for LOC III.

This bill has been amended by adding a new section requiring the Department of Health to adopt rules to set standards pertaining to quality assurance in adult residential care homes. Other 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 H.B. No. 913, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 913, H.D. 2.

Signed by all members of the Committee.

SCRep. 682 Finance on H.B. No. 1858 (Majority)

The purpose of this bill is to provide additional revenue sources for infrastructure improvements, highways, and parks to the counties through the transfer of the authority to tax liquor and tobacco. In addition, the bill would transfer certain state parks to the counties and certain county parks to the State in order to better utilize the resources of each jurisdiction. Finally, the bill transfers to the counties the authority to regulate intoxicating liquor.

Each year, the counties come to the Legislature seeking additional sources of revenue for county services as well as for the construction and maintenance of county highways and infrastructure. This measure not only would give the counties complete authority to tax intoxicating liquor, but the counties would also have the power to change the tax rates as they desire.

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 H.B. No. 1858, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1858, H.D. 2.

Signed by all members of the Committee.
(Representatives M. Ige and Say did not concur.)

SCRep. 683 Finance on H.B. No. 1113

The purpose of this bill is to equalize the insurance premium tax assessed domestic and foreign insurers.

This measure would provide for a slight premium tax increase for the foreign insurers, but a substantial increase for the domestic insurers. These increases would be offset by a lower tax rate, close to that currently paid by domestic insurers, applicable to insurers which maintain a "principal office" in this State. "Principal office" status would require the insurer to satisfy specific ratios which compare the insurer's local operations to its operations nationally.

The issue of insurance premium taxes raised by H.B. Nos. 940 and 1113 is the subject of ongoing negotiation. The nationals report that the parties have committed to mutually resolve the domestic preference tax issue. To give affected parties additional opportunity to mutually resolve this issue during this legislative session, your Committee is reporting out H.B. 1113, H.D. 1, to keep this approach on the table for discussion.

Your Commission has amended the bill by making technical, nonsubstantive changes for clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1113, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1113, H.D. 2.

Signed by all members of the Committee.

SCRep. 684 Finance on H.B. No. 1826

The purpose of this bill is to create a seven year special fund (Fund) for the improvement of public school facilities.

Your Committee finds that this bill will contribute significantly to the planning, design, construction, and improvement of school facilities.

For the purpose of continued discussion, your Committee has amended the bill by inserting \$1 as the sum of tax revenues to be deposited in the state treasury to the credit of the Fund. Other technical, nonsubstantive revisions have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1826, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1826, H.D. 1.

Signed by all members of the Committee.

SCRep. 685 Finance on H.B. No. 164

The purpose of this bill is to appropriate funds to the Hawaii Wing Civil Air Patrol (HCAP) for the design, construction, and replacement of patrol hangars and facilities.

Your Committee finds that the present facilities have been marked for demolition by the Airports Division of the Department of Transportation, and new facilities must be built to meet the needs of HCAP. Your Committee further finds that HCAP provides an important and necessary service to the State and that every effort should be made for its continuance.

For the purposes of further discussion, your Committee has amended this bill to appropriate \$1 for the Lihue Airport, Honolulu International Airport, and Kahului Airport.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 164, H.D. 1, and be placed on the calender for Third Reading.

Signed by all members of the Committee.

SCRep. 686 Finance on H.B. No. 421

The purpose of this bill is to amend Section 237-24, Hawaii Revised Statutes, to eliminate the possible constitutionally discriminatory references contained within certain tax exemption provisions of the General Excise Tax Law.

This bill adds to the list of tax exempt items all agricultural commodities produced out of the State and the milling, processing, or canning of sugar and pineapple in or out of the State.

Your Committee finds that the amendments will serve to eliminate any appearance of discrimination against agricultural commodities from outside of the State in favor of those found locally.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 421 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 687 Finance on H.B. No. 818

The purpose of this bill is to make bonds issued by suppliers of materials acceptable security for any contract up to \$150,000 in value for the construction of public facilities and other site improvements.

Your Committee finds that this change would enable more Hawaii contractors to obtain bonding and bid on public improvement projects.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 818 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 688 Finance on H.B. No. 1845

The purpose of this bill is to allow flexibility for the Division of Community Hospitals to operate and meet the needs of the community and to provide quality health care at a reasonable cost to the people of the State.

The bill also changes the name of the County/State Hospitals Division of the Department of Health to the Division of Community Hospitals. In addition, it combines all major statutes that affect the County/State Hospitals Division into one chapter and repeals those statutes that will no longer be applicable. Flexibility is provided to the Division to operate and enter into business relationships with nonprofit corporations for any component of its facilities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1845 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 689 Finance on H.B. No. 1917

The purpose of this bill is to provide tax relief for the people of the State.

More specifically, this bill:

- (1) Establishes a refundable credit for qualified medical services for each qualified resident of the State, with individuals aged sixty-five and over able to claim double the tax credit;
- (2) Increases the standard deduction amount;
- (3) Lowers the income tax rate schedule; and
- (4) Increases the adjusted gross income limit to claim the maximum credit percentage for dependent care and for low income renters.

Your Committee finds that this measure provides needed tax relief to the people of the State.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1917 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 690 Finance on H.B. No. 1915

The purpose of this bill is to clarify that the provisions relating to the allocation of income of persons not taxable upon their entire income shall be applicable to income not subject to part II of chapter 235, including nonbusiness income and certain income under section 235-22.

According to testimony presented by the Department of Taxation, this bill will eliminate conflicts between section 235-5, Hawaii Revised Statutes, and chapter 235, part II relating to Uniform Division of Income for Tax Purposes.

Your Committee has amended the bill at the request of the Department of Taxation to correct technical drafting errors in the newly designated subsection (d).

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1915, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 691 Finance on H.B. No. 1822

The purpose of this bill is to transfer the functions, personnel, and property of the Hawaii State Coordinating Council on Deafness to the Department of Health from the Department of Human Services.

The bill has been amended to take effect on July 1, 1989. Other technical, nonsubstantive amendments have been made for purposes of style and clarity and to correct technical drafting errors.

Your Committee received testimony supporting this bill from the Department of Health, the Department of Human Services, the Hawaii State Coordinating Council on Deafness, the Gallaudet University Center on Deafness, the Hawaii Services on Deafness, and the Aloha State Association of the Deaf.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1822, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 692 Finance on H.B. No. 1015

The purpose of this bill is to amend the state bond law to provide the Director of Finance the flexibility to accept other forms of surety in addition to a surety bond as security for issuing replacement bonds or payment of lost, stolen, defaced, or destroyed bonds.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1015, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 693 Finance on H.B. No. 224

The purpose of this bill is to appropriate funds for additional personnel and operating expenses to provide mental health services for children and youth. In addition, it provides funds for the development and improvement of a system for the care and delivery of mental health services to public school students.

Your Committee finds that the delivery of mental health services to needy children and youth is of great importance and of benefit to the State.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 224 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 694 Finance on H.B. No. 1778

The purpose of this bill is to provide funds for planning and restoration of the sandy beach area between the Waikiki Aquarium and Fort DeRussey. In addition, it protects areas such as those "fronting" the Waikiki Aquarium for reef education and study.

Your Committee finds that Waikiki Beach is one of the State's most valuable assets and is used by residents and tourists alike. This area of beach has eroded over the years and needs immediate restoration and improvement before further damage occurs.

For purposes of continued discussion, your Committee has amended this bill to appropriate the sum of \$1 for fiscal year 1989-1990. Other nonsubstantive, technical amendments have been made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1778, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 695 Finance on H.B. No. 1856

The purpose of this bill is to conform Hawaii's Income Tax Law to changes in the Federal Internal Revenue Code.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1856, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 696 Finance on H.B. No. 1097

The purpose of this bill is to provide a tax credit to State taxpayers to satisfy constitutionally mandated requirements.

Your Committee finds that Article VII, Section 6, of the State Constitution requires the Legislature to provide a tax refund or tax credit when the State general fund balance at the close of each of two successive fiscal years exceeds five percent of the general fund revenues for each of the two fiscal years.

Your Committee finds that this condition has been met and that the Legislature, therefore, is required to provide a tax refund or tax credit to the taxpayer. This bill, as received by your Committee, would provide an income tax credit totaling \$100 million. The actual amount of the credit would be reasonably calculated based on this total credit amount.

Your Committee has amended this bill by increasing the total tax credit to be returned to the people of the State from \$100 million to \$200 million.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1097, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 697 Finance on H.B. No. 1857

The purpose of this bill is to repeal Chapter 246, Hawaii Revised Statutes, after the complete transfer of the real property tax functions to the various counties is effectuated in November, 1989.

Your Committee has made numerous technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. 1857, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1857, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 698 Finance on H.B. No. 1164

The purpose of this bill is to provide a tax credit to employers offering childcare assistance to their employees for 50 percent of the employer's childcare expenses to a maximum eligible amount of \$2,500 per child.

Your Committee has amended the definition of "qualified childcare program."

In addition, the bill has been amended to provide that if the credit is claimed, then the amount of any deduction allowed or allowable under state tax law for the amount that qualifies for the credit shall be reduced by the dollar amount of the credit allowed. The bill has also been amended to be repealed on December 31, 1993. Other technical, nonsubstantive amendments have been made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1164, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1164, H.D. 2.

Signed by all members of the Committee.

SCRep. 699 Finance on H.B. No. 1854 (Majority)

The purpose of this bill is to make salary adjustments for the Governor, Lieutenant Governor, cabinet and sub-cabinet officers, and certain other executive officers. The bill also provides for the establishment of a salary commission to regularly review salaries of state executive branch elected and appointed officials.

Your Committee has amended this bill to make technical, nonsubstantive amendments for the purposes of style and clarity. For the purposes of continued discussion, the appropriations section has also been amended by inserting \$1 for each of the blank sums in Section 17 of the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1854, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1854, H.D. 2.

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

SCRep. 700 Finance on H.B. No. 1490

The purpose of this bill is to provide temporary favorable income tax treatment for certain categories of financial services in order to attract such services and assist the development of Hawaii as a regional financial center.

Your Committee finds that the financial services sector has been targeted by the State as an industry whose growth should be encouraged. The beneficiaries of the tax exemptions in this bill would be financial service firms which make large transactions or trades on behalf of out-of-state institutional investors. Testimony indicated that no such firms currently operate in Hawaii.

For purposes of continued discussion, your Committee has amended this bill by reducing the appropriation to \$1. Technical, nonsubstantive amendments have been made for purposes of style and clarity, including the insertion of the appropriation effective date.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1490, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1490, H.D. 2.

Signed by all members of the Committee.

SCRep. 701 Finance on H.B. No. 360

The purpose of this bill is to encourage foster children to continue their education at an institution of higher learning by extending the period during which they are eligible for foster board payments, provided that: (1) the foster child is twenty-three years old or younger; and (2) is attending an institution of higher education full-time. Relatedly, this measure proposes to appropriate \$150,000 to the Legislative Auditor for a study of the entire system of out-of-home placement.

Your Committee has amended the bill to: (1) specify that the comprehensive study of Hawaii's system of foster care include appropriate recommendations accompanied by cost analysis; (2) delete the proposed change to the definition of "foster boarding home" as it may prove to be more restrictive than intended; and (3) change the effective date of the bill to July 1, 1989.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 360, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 360, H.D. 2.

Signed by all members of the Committee.

SCRep. 702 Finance on H.B. No. 1701

The purpose of this bill is to create a Youth Services Board to be designated as the state planning and coordinating agency for statewide youth services and delinquency prevention services. The Youth Services Board will develop and operate youth service centers throughout the State for 10 to 18 year olds.

These centers will:

- (1) Develop and implement programs in delinquency prevention;
- (2) Provide a wider range of informal dispositions;
- (3) Develop an improved system of intake, assessment, and follow-up; and
- (4) Provide better coordination of juvenile justice and non-juvenile justice services in order to reduce overlap and gaps in service.

Your Committee has amended this bill by inserting \$1 for fiscal year 1989-1990 and \$1 for fiscal year 1990-1991 in the appropriations section to be expended by the Department of Human Services for discussion purposes. Technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1701, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1701, H.D. 2.

Signed by all members of the Committee.

SCRep. 703 Finance on H.B. No. 1905

The purpose of this bill, as received by your Committee, is to provide legislation enabling the Department of Hawaiian Home Lands (hereafter referred to as "Department") the authority to issue revenue bonds to finance its growing capital improvements programs.

Your Committee has substantially amended this bill by granting additional powers to the Department to:

- (1) Undertake and carry out the development of any Hawaiian home lands available for lease with the approval of the Governor;
- (2) Undertake and carry out the development of available lands as a developer for homestead, commercial, and multipurpose projects, with the approval of the Governor;
- (3) Designate by resolution of the Commission all or any portion of a development or multiple developments undertaken with the approval of the Governor; and
- (4) Exercise the powers granted under Section 39-53, Hawaii Revised Statutes, including the power to issue revenue bonds from time to time as authorized by the Legislature.

The bill has also been amended to establish a special fund for financing from the proceeds of revenue bonds. Technical, nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1905, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1905, H.D. 1.

Signed by all members of the Committee.

SCRep. 704 Finance on H.B. No. 1860

The purpose of this bill is to create a special fund to allow the High Technology Development Corporation to operate and manage its revenue producing projects, including the Kaimuki Technology Enterprise Center, Hawaii Ocean Science and Technology Park, the Manoa Innovative Center, and the Maui Research and Technology Center.

This bill also permits the board of directors to enter into closed sessions whenever it is necessary to discuss information on a particular company seeking access to one of its facilities that is of a proprietary nature or the disclosure of which might be harmful to its business interests. The bill specifies that the Corporation is authorized to lease and sublease property without the requirement for competitive bids. The bill also adds the term "film production" under the category of activities that are appropriate in an industrial park as defined by the statute.

Your Committee has amended this bill to allow the Corporation to acquire property, thus clarifying its ability to own land and receive land under development of the Maui Research and Technology Center at Kihei, Maui, as a gift to the State. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1860, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1860, H.D. 1.

Signed by all members of the Committee.

SCRep. 705 Finance on H.B. No. 64

The purpose of this bill is to establish a special fund to be known as the Long Term Care Service Development Fund to promote the establishment, reorganization, or expansion of profit and nonprofit businesses offering community-based long term care services. The bill also requests a study on how private sector providers can participate in the provision of these services and provides for training and business plan development.

Your Committee finds that the Long Term Care Service Development Special Fund should be restricted to the provision of grants and should be administered by the Executive Office on Aging. Your Committee further finds that a separate, appropriately administered program is needed to provide loans to encourage private sector development in the long term care service industry.

Accordingly, your Committee has amended this measure by:

- (1) Establishing that the Executive Office on Aging shall be the agency administering the Long Term Care Service Development Fund, which will be restricted to the provision of grants;
- (2) Appropriating \$1,000,000 of general revenue moneys to be deposited into the Hawaii Capitol Loan Program, administered by the Department of Business and Economic Development (DBED), to provide loans to encourage more private sector activity in the long term health care industry;
- (3) Establishing that the Executive Office on Aging, in consultation with DBED, will be the agency responsible for training and assistance in business plan development and for the aforementioned study; and
- (4) Reducing the sum appropriated for the service development fund to \$800,000.

Your Committee has also amended this bill by adding authorization for the Executive Office on Aging to adopt rules necessary for the administration of the Long Term Care Service Development Fund grant program and by making other technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 64, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 64, H.D. 2.

Signed by all members of the Committee.

SCRep. 706 Finance on H.B. No. 1831 (Majority)

The purposes of this bill are to: (1) adopt the land evaluation rating system to identify important agricultural lands; (2) provide criteria to guide the Land Use Commission in the reclassification of important agricultural lands; (3) revise land use criteria for the classification of agricultural and conservation districts and establish a new district, the open district; (4) provide for a comprehensive five-year boundary review to implement the purposes of this act; (5) provide interim land use policies to guide the Land Use Commission until the five-year boundary review has been completed; and (6) provide other amendments relating to enforcement of land use district classifications and conditions.

Your Committee finds that lands in the existing agricultural district should be examined to determine their importance to agriculture based on physical and other characteristics and State agricultural production goals. It has been estimated that of the roughly two million acres of lands currently classified as agriculture, approximately 700,000 are considered as "important agricultural lands". Preliminary studies have also shown that some agricultural district lands have high conservation value. Furthermore, there are many areas where urban development would be premature or not appropriate for various reasons.

Upon further consideration, your Committee has amended this bill to provide for identification of areas where public interest may outweigh the need to protect agricultural land.

Other technical, nonsubstantive amendments have been made for purposes of style and clarity and to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1831, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1831, H.D. 2.

Signed by all members of the Committee.
(Representatives Liu and Marumoto did not concur.)

SCRep. 707 Water and Land Use on H.B. No. 295

The purpose of this bill is to provide ancient trail and highway sites with added measures of protection during the process of any land use changes under the jurisdiction of state and county agencies. This bill requires state and county agencies to require all permits proposing any actions upon lands exhibiting any evidence of any ancient trails to contain a comprehensive description of the trail site, and requires approval of such permits by the state historic preservation program.

Your Committee finds that the historic, religious, and cultural sites or artifacts of any culture should be treated with sensitivity and respect. The historical significance of sites such as ancient trails and ancient highways cannot be underestimated as the cultural value contained within such sites often transcends all other notions of value or compensation. Once disturbed, the archaeological integrity of such a site may be difficult, if not impossible, to restore. Your Committee finds that historical areas such as ancient trails and ancient highways deserve and require special protection prior to any development or site alteration in order to prevent harm to those sites.

Your Committee believes that this measure will strengthen the implementation of the Hawaii Statewide Trail and Access System, enacted last year under Act 236, SLH 1988, now Chapter 198D, HRS.

Your Committee has amended the bill to include protection for ancient public highways and other ancient public right-of-ways. In addition, Section 1 of the bill was amended to conform with the definitions of ancient trails and public highways as contained in section 264-1(b), HRS, as well as Hawaii case law. Finally, your Committee has amended the bill to clarify what agency actions are covered by the bill.

Your Committee has also made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 295, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 708 Consumer Protection and Commerce and Judiciary on H.B. No. 188

The purpose of this bill is to place restraints on overzealous offers by credit repair clinics to improve a customer's credit history.

This bill would add a new chapter to the Hawaii Revised Statutes, to be entitled "Credit Services Organizations." This chapter would prohibit certain acts by a "credit services organization" ("CSO"), which the bill defines as a person who sells services to improve a buyer's credit record or rating, obtain an extension of credit for a buyer, or provide advice or assistance to a buyer regarding either of the foregoing. The definition generally does not include certain lenders, banking institutions, licensed real estate brokers or collection agencies, attorneys, securities brokers, or consumer reporting agencies.

The new chapter would prohibit a CSO from, among others, taking payment prior to full performance of agreed upon services, unless it has obtained a \$10,000 surety bond and met other requirements. It would prohibit a CSO from charging consideration solely for referring the buyer to a retail seller who may extend credit on terms similar to those available to the general public. It would also prohibit a CSO from making untrue or misleading statements, or from counselling a buyer to make such statements in connection with matters concerning the buyer's credit. A CSO would be required to make certain disclosures to a buyer entering into a contract. A violation of the new chapter would be subject to injunctive relief, punishable as a misdemeanor, constitute an unfair or deceptive practice, and appears to support a private cause of action.

Your Committees heard testimony on this bill from the Department of Commerce and Consumer Affairs. The Department noted potential jurisdictional problems concerning the bill's penalty provisions. It also indicated uncertainty as to whether the types of services offered by a CSO would be bona fide.

The Hawaii Financial Services Association testified in support of the concept of the bill, but advocated that industrial loan companies be included in the list of businesses exempt from its provisions.

Chilton Credit Reporting also testified in favor of this bill. It submitted that the bill would create a fairer atmosphere for a potential buyer of CSO services, because the CSO would be required to inform the buyer of certain credit rights he or she has under the Fair Credit Reporting Act, 15 U.S.C. Section 1681, et seq.

Your Committees heard additional testimony from Consumer Credit Counseling Service Hawaii, which reported having recently received many inquiries about organizations in Hawaii which promise to erase bad credit, remove tax liens, judgments and records of bankruptcy. When credit repair clinics charge a fee for services they cannot deliver, they pose an additional threat to individuals already experiencing financial problems.

Your Committees believe that the public should be protected from organizations which falsely represent that they have the ability to alter an accurate credit report. Your Committees have reservations about the complexity of the bill, however, and have redrafted it so as to directly prohibit credit service organizations from engaging in certain fraudulent acts and practices. The bill as amended essentially prohibits any person from soliciting or inducing the payment of money based on false representations that he or she will modify an accurately reported credit history; from receiving a fee for referring another person to a credit granting entity, knowing that the other person will be granted credit, if at all, on terms similar to those available to the general public; and from making untrue or misleading statements, or counselling a buyer to make such statements in connection with matters concerning the buyer's credit. These provisions would be included in a new section of Chapter 481B, Hawaii Revised Statutes. A violation of the new section would constitute an "unfair or deceptive act or practice" in violation of Section 480-2, Hawaii Revised Statutes.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 188, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 188, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 709 Consumer Protection and Commerce on H.B. No. 219

The purpose of this bill is reenact Chapter 439, Hawaii Revised Statutes, and to implement the findings and recommendations made by the Legislative Auditor in his Sunset Evaluation Update, Beauty Culture, Report No. 88-18, November 1988.

The recommendations of the Legislative Auditor included the following. The Auditor recommended that the beauty culture law be amended to provide for a "licensure" scheme, which would replace certificates of registration for beauty operators. He recommended that licensed beauty operators be allowed to practice cosmetology outside of a beauty shop if the arrangement is made through a beauty shop, a record of the arrangement is kept, and the facility complies with Department of Health sanitations standards. The Auditor also recommended deleting the high school equivalent education requirement for licensure under the beauty culture law, and deleting the registration requirement for beauty shops.

The Auditor further recommended that all cosmetology schools and instructors be licensed by the Department of Education. The Department of Education testified in opposition to this recommendation, and suggested that such schools continue to be licensed by the Board of Cosmetology because of its expertise in the field.

Testimony in support of continued regulation of beauty operators and shops was presented by several beauty shop owners and a supplier of professional cosmetology products. They advised your Committee that licensure would promote the safety of the public, and that it was needed in order to continue of professional products franchises.

The Board of Cosmetology also testified in support of continued regulation under Chapter 439. It opposed the Legislative Auditor's recommendation that the beauty shop registration requirement be deleted, however, on the grounds that registration assures that licensed beauty operators are offering the appropriate services on the premises. The Board opined that the portion of the bill that would allow the practice of cosmetology outside of beauty shops, was more restrictive than current law, and thus opposed it. It opposed elimination of the high school education requirement for licensure, stating that the applicant must be adequately educated in order to understand the cosmetology training materials. The Board advised your Committee that it was willing to continue to regulate beauty schools and instructors, if the Department of Education chose not to make the commitment. The Hawaii Institute of Hair Design informed your Committee that it is in agreement with the Board's position.

The University of Hawaii Chancellor for Community Colleges testified in favor of maintaining the high school equivalent requirement for licensure.

Other testifiers included Trendsetters Beauty College, which supports continuation of the high school education requirement; a beautician, who felt that deregulation would cause local operators to lose business to newcomers; and an insurance agent who testified that deregulation would result in very limited availability of professional beauticians liability insurance.

Your Committee believes that the continuation of the beauty culture law will promote the health and safety of the public. Because the Board of Cosmetology has special expertise in beauty culture, your Committee believes that licensure of beauty schools and instructors should be under the Board, rather than the Department of Education. Your Committee also feels that the requirement of a high school education or equivalent for licensure should be retained to facilitate the adequate training of licensees. The Board of Cosmetology has submitted a set of proposed amendments to reflect these and other changes to the bill. Your Committee has adopted that proposal and amended the bill accordingly.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 219, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 710 Consumer Protection and Commerce on H.B. No. 215 (Majority)

The purpose of this bill is to provide mandatory rules for the disposition of excess funds raised by a life-saving fund-raising organization.

This bill provides that in the event of death of an individual for whom such funds have been raised, funds remaining after payment of the individual's debts must be donated to a charitable, religious, or nonprofit organization. This bill creates a new chapter of the Hawaii Revised Statutes entitled "Life-Saving Fund-Raising Organizations".

The Department of Commerce and Consumer Affairs testified that it concurs with the basic intent of this bill, but felt that a number of changes should be made. Your Committee is in agreement with the recommendations of the Department and has amended the bill as follows.

The bill has been amended by deleting the proposed new chapter and by adding a new section to Chapter 467B, Hawaii Revised Statutes, which governs the solicitation of funds for charitable purposes. Chapter 467B provides for certain enforcement procedures and penalties in the event of an abuse.

The bill has been amended to specify that funds raised are to be used only for debts and expenses incurred by the individual while seeking relief from the life-threatening or terminal illness. Any funds remaining after the payment of the debts and expenses incurred by the individual in seeking relief must be donated to a charitable, religious or nonprofit organization exempt under Section 501(c) of the Internal Revenue Code of 1954, as amended, or distributed in accordance with Chapter 415B, Hawaii Revised Statutes.

Your Committee believes that this bill will benefit the public by encouraging participation in life-saving fund-raising efforts.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 215, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 711 Consumer Protection and Commerce on H.B. No. 1662

The purpose of this bill is to make any violation of the federal law relating to Falsely Stamped Gold or Silver or Goods Manufactured Therefrom, 15 U.S.C. §291-300, an unfair or deceptive act or practice in the conduct of trade or commerce in violation of section 480-2, Hawaii Revised Statutes.

The Department of Commerce and Consumer Protection testified in support of this bill.

Your Committee also heard testimony in support of this bill from the Honolulu Police Department ("HPD"). HPD testified that the mismarking and underkarating of gold jewelry in Hawaii is a serious problem. HPD finds that the laws that have been used in such investigations are inadequate to curtail and deter this type of activity. HPD further testified that local and out-of-state firms have deceived consumers out of millions of dollars for products that are being misrepresented and sold as genuine. Finally, HPD recommended that while this bill is a positive step, emphasis is needed in providing for seizure of underkarated articles as "contraband", and for higher penalties.

Additional testimony in favor of this bill was presented by a manufacturer and wholesaler of jewelry, the Hawaii Jewelers Association and an owner of a retail jewelry firm. The testimony was that H.B. No. 1662 is a necessary step in the right direction.

Your Committee finds that consumers are being deceived by the mismarking and underkarating of jewelry. Your Committee believes that H.B. No. 1662 is a positive step to address these problems, even though further action might later be necessary after further study.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1662 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 712 Consumer Protection and Commerce on H.B. No. 1636

The purpose of this bill is to amend Section 431:10C-307, Hawaii Revised Statutes, by replacing rights of "subrogation" with rights of "reimbursement".

Section 431:10C-307 provides that whenever any person effects a tort liability recovery for accidental harm which duplicates previously paid no-fault benefits, then the no-fault insurer shall be subrogated to fifty percent of the no-fault benefits, up to a specified maximum limit. This bill would replace the term "subrogation", with the term "reimbursement".

The Department of Commerce and Consumer Affairs testified in support of this bill, advising your Committee that the application of pure subrogation principles under this section works to the benefit of the insurer, the detriment of the consumer, and is contrary to the original concept of the no-fault law.

The Hawaii Academy of Plaintiffs' Attorneys also testified in support of this bill.

Your Committee believes that the concept intended under Section 431:10C-307 of the Hawaii Revised Statutes is that of reimbursement, rather than subrogation. The bill simply clarifies this point.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1636 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 713 Consumer Protection and Commerce on H.B. No. 1815

The purpose of this bill is authorize the commissioner of financial institutions to impose a specific monetary fine on escrow depositories for the late filing of audit reports.

Under current law, the failure to comply with the annual audit report requirements of Section 449-15, Hawaii Revised Statutes, is grounds for suspension or revocation of the escrow depository's license, and authorizes the commissioner to order an independent audit at the depository's expense. This bill would further authorize the commissioner to impose an administrative fine of \$100 per day for each day that the audit is overdue.

Your Committee heard testimony in favor of this bill from the Department of Commerce and Consumer Affairs, which advised your Committee that the \$100 per day fine is a much more reasonable penalty than license suspension or revocation.

Your Committee believes that the commissioner should have greater flexibility in imposing sanctions against escrow depositories for the late filing of audit reports, which this this bill would provide.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1815 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 714 Consumer Protection and Commerce on H.B. No. 1539 (Majority)

The purpose of this bill is to assist corporations in this State in retaining the best possible individuals as corporate officers and directors.

This bill allows a corporation, by vote of its shareholders, to eliminate or limit the liability of its officers and directors for certain breaches of fiduciary duty. Under this bill, liability cannot be limited or eliminated for acts including breach of the duty of loyalty to the corporation; intentional acts or acts made without good faith; willful or negligent violation of any provisions concerning payment of dividend or stock purchase redemption under Chapter 415, Hawaii Revised Statutes; or for any transaction in which the officer or director received an improper benefit. The bill is modeled after provisions adopted by Delaware and other states.

The Department of Commerce and Consumer Affairs testified in support of this bill, stating that it signifies the State's commitment to a business climate which fosters corporations domiciling and remaining in Hawaii.

Testimony in favor of this bill was also presented by representatives of Alexander & Baldwin, Inc. ("A&B"). A&B testified that four-fifths of the states have enacted some type of legislation concerning such limitations of liability. Officers are protected only in the laws of four of those states. A&B suggested that Hawaii corporations need the protection provided by this bill so that directors can make the type of decisions necessary in a risky and confrontational business climate, including hostile takeover situations.

Your Committee believes that offering directors a degree of protection from personal liability in the execution of corporate affairs will support a favorable business climate. It is noted that the great majority of states have already adopted some type of protective legislation for directors.

Your Committee was not presented with evidence which warrants extending these protections to corporate officers, and it declines to do so. Your Committee further believes that the protections offered by this bill are overbroad, and that a corporation should not be able to eliminate or limit a director's liability for gross negligence. Further, your Committee believes that the interests of minority shareholders should be better protected. A corporation should be required to obtain the approval of two-thirds of the shares having voting power, rather than just a majority, before eliminating or limiting a director's liability.

The bill has been amended to reflect these changes, and to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1539, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 715 Consumer Protection and Commerce on H.B. No. 1236

The purpose of this bill is to amend Section 521-21(b), Hawaii Revised Statutes, to provide that tenants who receive public assistance shall be able to establish new rental payment deadlines by making a one-time payment to cover the period between the original due date in their rental agreements and a newly established due date.

Your Committee finds that some tenants, who depend on public assistance checks for their rental payments, are being penalized for a situation over which they have no control. Some tenants receive their public assistance checks too late to meet the deadlines for payment set in their rental agreements, resulting in the assessment of penalties for late payments.

Your Committee finds that the volume of public assistance checks necessitates a staggered schedule for mailing, resulting in some recipients receiving their allotments later than others.

This bill would enable tenants the option of establishing new deadline dates, corresponding with receipt of their checks, by making a one-time payment to cover the days between the original rental due date and the newly established agreement.

Your Committee amended this bill by specifying that the amount of the one-time payment would be prorated on the existing monthly rent, determined by the number of days between the original and the new dates. Your Committee further amended the bill by substituting date of mailing for date of receipt of checks.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1236, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 716 Consumer Protection and Commerce and Judiciary on H.B. No. 796

The purpose of this bill is to increase the fines and penalties for violation of the provisions of Chapter 431, Article 10C, Hawaii Revised Statutes, concerning motor vehicle insurance.

Under current law, each violation of Article 10C is subject to a fine of up to \$1,000 which cannot be suspended. This bill would increase the maximum fine to \$5,000. Current law also provides that if a person is convicted of not having had a no-fault policy in effect at the time the citation was issued, he will be fined \$100 for the first offense and a minimum of \$400 for each subsequent offense. This bill would increase the foregoing sums to \$1,000 and \$3,000, respectively.

The bill also requires the suspension of the drivers licenses of the driver and registered owner of a car, for multiple offenses of driving without a valid no-fault policy.

Your Committees heard testimony in support of this bill from the Hawaii Independent Insurance Agents Association, which believes that stiffer penalties for driving without insurance will provide incentive for drivers to purchase insurance.

Your Committees find that the public interest will be served if fewer people drive without insurance. Increased penalties and fines should advance this goal by discouraging uninsured motorists from driving.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 796 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 717 Judiciary on H.B. No. 240

The purpose of this bill is to amend section 11-157, HRS, to provide for a statutory method of breaking ties in election results.

Currently, the statutory provision allows for breaking an election tie by means of deciding by lot, provided that the candidates agree. The statute is silent in the situation where the tied candidates decline to decide the issue by lot. The Committee recognizes, however, that ties must be resolved. It also believes that the most reliable and expeditious means available should be used to break ties.

This measure provides a method of breaking ties by assigning to each precinct (or representative district, in the case of a state or countywide race) a numerical point value based on the number of its registered voters. This "election rate point" is awarded to the candidate who carried that precinct or district. The candidate with the highest point total would be the winner.

Under this method, the chief election officer would be able to expeditiously settle a tie, without the tied candidates' participation, using election printouts and voter registration lists which are dependable and already available.

Your Committee heard testimony from the Chief Election Officer and the Office of the Attorney General in support of this measure.

Your Committee has, upon further consideration, amended the bill in section 2 to provide a method to incorporate into the statutory scheme, the absentee votes and overseas votes, which will be treated as either a separate precinct or a separate representative district.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 240, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 240 H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 718 Judiciary on H.B. No. 403

The purpose of this bill is to provide the State Comptroller with concurrent authority with the Attorney General to pay informal tort claims against the State for \$10,000 or less and to allow claims to be filed directly with the Comptroller. The bill also proposes to remove the \$10,000 limit for claims which the Attorney General may settle without the filing of a lawsuit and court approval.

In support of the bill, the Attorney General testified that allowing the Comptroller to settle the relatively small claims of \$10,000 or less would enable the staff of the Attorney General to concentrate on the numerous large claims against the State. The considerable staff efforts devoted to handling the hundreds of informal tort claims now submitted to the Attorney General could be redirected to defend cases which are much more significant.

The Attorney General also testified that the elimination of the \$10,000 limit for settling claims would unburden the Court, the State, and the private party involved in a lawsuit if agreement between the State and private party can be achieved. Neither the federal government nor the city and county of Honolulu require judicial review of settlements, and the Attorney General is aware of no abuses involving settlements in this area by the respective federal and city executive branches.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 403, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 719 Judiciary on H.B. No. 812

The purpose of this bill is to amend Section 143-19, Hawaii Revised Statutes, to increase the penalty of a fine from \$50 to \$250, for any person violating any of the provisions of Chapter 143, Hawaii Revised Statutes, for which no special penalty is provided. Chapter 143, Hawaii Revised Statutes, relates to the licensing and regulation of dogs.

Currently, Section 143-19, Hawaii Revised Statutes, specifies a fine of only \$50 for anyone violating any provisions of Chapter 143, Hawaii Revised Statutes, for which no special penalty is provided. Despite the observation that very few citations are ever issued for the violation of the above statute, your Committee finds that an increase from \$50 to \$250 is reasonable.

Your Committee finds that pets, such as dogs, provide a great degree of comfort and companionship, and promote the general well being of our citizens. Therefore, your Committee feels that there is a need to strengthen the enforcement of the provisions of Chapter 143, Hawaii Revised Statutes.

Your Committee received testimony from the Hawaii Humane Society in support of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 812 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 Cavasso.

SCRep. 720 Judiciary on H.B. No. 559

The purpose of this bill is to allow the courts to bestow presentence credit for defendants who have been sentenced to probation and who have been detained in a correctional or other institution following arrest for the crime for which sentence is imposed. Such periods of detention may be deducted from the term of imprisonment if such term is given as a condition of probation.

Your Committee received testimony in favor of this measure from a representative of the administrative director of the courts as well as the Public Defender. From the testimony, it appears that the state courts currently have ordered such credit in some cases. Your Committee finds that this measure will provide the statutory authorization for bestowing such credit.

Your Committee has amended the bill to reflect that such period of detention shall, instead of may, at the discretion of the court be deducted from the term of imprisonment if such term is given as a condition of probation. This amendment would clarify the intent and purpose of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 559, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 721 Judiciary on H.B. No. 1716

The purpose of this bill is to update Hawaii's Laws relating to electronic surveillance, and the interception of wire, oral, and electronic communications, to conform and to be in compliance with federal standards.

Your Committee received favorable testimony from a representative of the State Attorney General, County Prosecutors and Police Chiefs, as well as the State Public Defender. Testimony indicate that the federal "Electronic Communications Privacy Act" of 1986 provided a two-year grace period for the various states to enact laws which would conform to the requirements and standards of said act. It is the intent and purpose of this measure to conform Hawaii law to federal requirements.

The measure delineates procedures to be followed pertaining to the disclosure of contents of communication while in electronic storage. Unauthorized access into such electronic data would constitute a class C felony. Access to data requested by Law Enforcement Agencies must be done through a search warrant or court order.

The bill also provides for procedures for the use of pen registers, which are devices attached to a telephone line to identify telephone numbers of calls being dialed out, as well as trap and trace devices which are used to determine telephone numbers of incoming calls. Use of the above devices require prior court approval, while the unauthorized use is classified as a class C felony.

Your Committee finds that the measure is appropriate in order for Hawaii to keep abreast of the rapidly developing technology in communications. However, the privacy right of our people must be preserved and a balance struck between that precious right and legitimate law enforcement investigation.

Accordingly, your Committee has amended this measure to substitute a probable cause standard in place of a "reason to believe," before electronic data stored by providers of electronic communications may be disclosed. Similarly, the provisions pertaining to the use of pen registers, trap and trace devices, and mobile tracing devices (an electronic or mechanical device permitting the tracing of the movements of a person or object), are amended to require that probable cause be shown and established by a court before it can issue an order for their use. By these amendments, your Committee is satisfied that a delicate balance can be struck between competing interests and would serve to curtail unnecessary or unwarranted intrusions upon the privacy rights of everyone.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1716, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 722 Judiciary on H.B. No. 979

The purpose of this bill is to improve the present compensation process pertaining to criminal injuries compensation by providing for, among other things, conformity with changes to the Penal Code dealing with violent crimes and compensation of Hawaii residents injured or killed in an area or place where there is no crime victims compensation program.

Your Committee received favorable testimony from the Criminal Injuries Compensation Commission and the Victim/Witness Kokua Services.

Your Committee, upon further consideration, has amended this bill by deleting the substance of the bill and inserting new provisions that are also designed to improve the present compensation process pertaining to criminal injuries compensation by:

- (1) Adding a definition of "designated person" and a definition of "resident" in Section 351-2, Hawaii Revised Statutes;
- (2) Amending the definition of "victim" in Section 351-2, Hawaii Revised Statutes;
- (3) Increasing the compensation of commission members;
- (4) Allowing the administrator of the commission to investigate award applications and to propose award amounts;
- (5) Providing the right to appeal to the circuit court for a person aggrieved by an order of the commission;
- (6) Providing for the compensation of any Hawaii resident injured or killed in another state not having a compensation program under which the state resident may receive compensation;
- (7) Including into the list of violent crimes, the abuse of family and household members, to ensure that victims of domestic violence will be compensated;
- (8) Giving the commission the discretion to consider applications filed beyond the eighteen month period; and
- (9) Deleting Section 351-4, Hawaii Revised Statutes, which provides that no compensation shall be awarded if there is a certain relationship between the victim and the offender.

Your Committee notes that the measure, as amended above, is similar in scope and comprehensiveness as H.B. No. 919, H.D. 1.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 723 Judiciary on H.B. No. 1133

The purpose of this bill is to allow owners of leased or rented personal property that is not returned seven days after the termination of the lease or rental contract, to file a criminal complaint for theft in addition to the remedy of petitioning for an order to show cause. The bill also defines the failure to return leased or rented personal property as a theft offense under the penal code.

Under the present statutory provisions, the non-return of leased or rented personal property is classified only as a petty misdemeanor no matter what the actual value of the item involved. The non-return of a rental motor vehicle is classified only as a misdemeanor. Your Committee finds the current statutory penalties not commensurate with the magnitude of the offense, hence the redefinition of such illegal activities within the penal code with its harsher penalty provisions would serve as a deterrence as well as an incentive for law enforcement officers to prosecute such cases.

Your Committee is also convinced that the current statute mandating a fourteen day period after the termination of the lease or rental contract before a theft complaint can be filed is too lengthy. Within the two week period, the non-returned items could be sold, repainted, serial number defaced, or disassembled for parts, all contributing to the hinderance of any chance of recovery of such items. The measure amends the period to seven days which is more realistic and workable.

Your Committee received favorable testimony on this measure from Hawaii Rent-All, as well as from United Rent-All, two small locally owned businesses.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1133 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 724 Judiciary on H.B. No. 1188

The purpose of this bill is to increase the membership of the juvenile justice interagency board from eleven to thirteen, by adding the director of the center for youth research of the University of Hawaii, and another private social service agency to the board.

Your Committee finds that the board promotes the implementation of the juvenile justice master plan, deals with issues and concerns of youth involved with the juvenile justice system, assists with coordination of services, and is charged with the responsibility of developing a juvenile justice information system. Currently, all the members of the board represent

agencies directly involved in the juvenile justice process. Your Committee finds that the two additional members proposed by this measure will provide another dimension not represented on the current board composition.

Testimony in support of this measure were received from the chair of the juvenile justice interagency board and the center for youth research of the University of Hawaii.

Your Committee has amended the bill by removing the provision on the director of the Center for Youth Research, as the Center is not a recognized office in law, and replacing it with an appropriate and more permanent description of the additional member of the Juvenile Justice Interagency Board. However, your Committee believes that while the Center for Youth Research continues to exist at the University of Hawaii, the director should be one of the members of the Juvenile Justice Interagency Board.

The bill was also amended to correct a grammatical error.

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

Signed by all members of the Committee.

SCRep. 725 Judiciary on H.B. No. 1215

The purpose of this bill is to restrict the practice of allowing convicted offenders to initiate direct requests to the court to be placed at a community service worksite of their choosing when they are sentenced to do community service. Instead, this measure directs that all convicted offenders sentenced to perform public service work will be under the supervision of an agency that is responsible for coordinating community service work.

Your Committee finds that this measure will provide prior screening of all convicted persons before they are placed for community service. As part of the screening procedure for the Judiciary's Community Service Sentencing Program (CSSP), criminal history background checks can be conducted on all offenders. CSSP has access to the offender Based Transaction System (OBTS) as well as FBI's National Crime Information (NCIN) files.

Without prior screening, we jeopardize the community-at-large by allowing offenders to choose their placement by direct request.

Your Committee received testimony in favor of this measure from a representative of the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1215 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 726 Judiciary on H.B. No. 45

The purpose of this bill is to restructure property crime sentencing to address the direct relationship between drugs and the commission of this type of crime.

At the present time, Section 706-606.5, Hawaii Revised Statutes, relating to the sentencing of repeat offenders, provides for, among other things, the disposition of defendants convicted of certain property crimes without reference to the fact that many of these property crimes are committed by people either under the influence of drugs or those who need to obtain money to buy drugs.

This bill would amend Section 706-606.5, Hawaii Revised Statutes, to provide for the circumstances under which a defendant, who has been found guilty of an offense defined within chapter 708 relating to offenses against property rights, may be placed on terms and conditions of probation if the defendant is diagnosed as a substance abuser. This bill would also amend Section 706-606.5, Hawaii Revised Statutes, to set forth guidelines which shall apply in such circumstances.

The guidelines provide for the following:

1. The court shall not sentence a person to probation without first ordering the defendant to submit to an examination for the purpose of identifying the existence of any substance abuse problem;
2. The court-ordered substance abuse examination shall be arranged through the personnel or agency assigned to prepare the presentence correctional diagnosis of the defendant required by section 706-601;
3. A written report evaluating any substance abuse problem manifested by the defendant shall be incorporated into the presentence correctional diagnosis of the defendant;
4. The court may order a defendant suffering from a substance abuse problem to be placed on terms and conditions of probation as provided by chapter 708, part II, relating to probation;
5. A defendant who is placed on terms and conditions of probation shall be required, as a condition of probation, to undergo treatment for drug or alcohol dependence and may further be ordered to remain in a substance abuse program until clinically discharged if required;

6. The court shall also require compliance with paragraphs 706-624(2)(i) and (m) as conditions of probation;
7. Where the defendant fails to comply with the terms and conditions of probation, revocation proceedings shall be conducted in accordance with section 706-625; and
8. As used in section 706-606.5, "substance abuse" means drug or alcohol abuse.

Your Committee received testimony from the Office of the Public Defender in support of this measure.

Page 7, line 11 of the bill was amended to change chapter 708 to correctly read chapter 706.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 45, H.D. 1, as amended herein and recommends that it pass Second Reading in the form attached hereto as H. B. No. 45, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 727 Judiciary on H.B. No. 1059

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii to allow the inclusion of Palmyra Island into the boundaries of the State of Hawaii.

Your Committee finds that there has been a long standing interest among our community in Palmyra as a potential for expanding Hawaii's economic potentials. The island is 8,000 acres of coral atoll and thousands of square miles of marine waters and mineral-rich seabed in its 200-mile Exclusive Economic Zone. Its remoteness is now almost irrelevant, given the many advances in communication and transportation. Its value is increasing daily as other Pacific island become more populated and sought after as jewels of beauty and peace in a crowded, polluted world.

Palmyra represents an invaluable resource as a research center for the State and University of Hawaii, as well as a potentially profitable commercial center. The three lagoons could be used as large fish farms or hatcheries for valuable pelagic species such as mahimahi. The atoll could support successful tourist and sports fishing resorts. The deep-water port could provide a refueling station for the increasing maritime traffic between the Orient and the Americas. Deep, cold sea water could be used for sophisticated aquaculture developments such as those already operating at Keahole Point.

Today, because of the many technological advances which have occurred in the fields of mariculture, ocean engineering, renewable energy generation and environmental science, the potential value of Palmyra is higher than ever. Self-sustaining, non-polluting and profitable enterprise can flourish there, if it is properly nurtured by a stable and far-sighted custodian.

Your Committee notes that testimony in support of the inclusion of Palmyra Island has been received from the Department of Land and Natural Resources and Representatives from the University of Hawaii Marine Minerals Technology Center.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1059 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 728 Judiciary on H.B. No. 225

The purpose of this bill is to amend various statutory provisions of the Hawaii Revised Statutes to correct errors, clarify language, correct references and delete obsolete or unnecessary provisions.

Your Committee has heard testimony supporting this bill. Your Committee has also heard testimony bringing to this Committee's attention an error located in HRS Section 134-8, which has been corrected in this bill.

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

Signed by all members of the Committee.

SCRep. 729 Human Services on H.B. No. 409

The purpose of this bill is to exempt the industries in the Department of Corrections' correctional industries program from public bidding requirements.

Your Committee heard testimony from the Department in support of this measure which would allow correction industries greater flexibility in the purchase of equipment, materials, supplies and services. Such flexibility will enable the industries to take on more work and will facilitate the expansion of new types of industries like auto repair.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 409, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 730 Human Services on H.B. No. 751

The purpose of this bill is to authorize protective day care payments as a special need item in the financial assistance standard for the Aid to Families with Dependent Children (AFDC) program.

Your Committee heard testimony from the Department of Human Services that by making protective day care a part of the AFDC state plan, the State can receive federal matching funds of up to 54.5 percent of the cost of providing protective day care to children who are abused, neglected or at risk of abuse or neglect.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 751 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 731 Human Services on H.B. No. 1895

The purpose of this bill is to allow inmates in the custody of the Department of Corrections to be eligible for state-funded medical assistance.

Your Committee heard testimony from the Department of Corrections, the Department of Human Services, the Commission on the Handicapped and the American Civil Liberties Union. All testimony indicated that inmate medical costs quickly exhaust the Department of Corrections health care budget. The testimony supported this measure as a method for controlling costs and increasing medical services to inmates.

Your Committee also heard that language in the bill would prohibit inmates with private insurance from being eligible for the secondary insurance coverage provided by Medicaid. Your Committee has therefore amended the bill by inserting new language to include any inmate who is otherwise eligible for state-funded medical assistance.

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

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1895, H.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 732 Human Services on H.B. No. 361

The purpose of this bill is to amend section 346-64(b), Hawaii Revised Statutes, by redefining "nonmedicaid recipient" to mean an individual whose income falls between a minimum income limit of 100 percent of the medical assistance community income limit and a maximum of 300 percent of the medicaid income limit.

Your Committee finds that the appropriation section of this bill unnecessarily duplicates the Department of Human Services budget. This bill has therefore been amended to eliminate the appropriation but retain the language defining "nonmedicaid recipient".

Your Committee has also amended the bill to correct certain technical drafting errors.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 361, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 361, H.D. 2.

Signed by all members of the Committee.

SCRep. 733 Human Services on H.B. No. 362

The purpose of this bill is to amend the definition of a nonmedicaid recipient by changing the minimum and maximum income limits a person must have in order to qualify for home services.

Your Committee finds that the appropriation section of this bill unnecessarily duplicates the Department of Human Services budget. This bill has therefore been amended to eliminate the appropriation but retain the language defining "nonmedicaid recipient."

Your Committee has also amended this bill to correct certain technical errors.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 362, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 362, H.D. 2.

Signed by all members of the Committee.

SCRep. 734 Planning, Energy and Environmental Protection and Judiciary on H.B. No. 1445

The purpose of this bill as received is to establish a prohibition on land disposal of lead batteries and to set up requirements for wholesalers and retailers that encourage the recycling of lead batteries.

Your Committees received testimony from the Department of Health in support of the prohibition of land disposal of lead batteries and stated it perceives this to be a logical extension of its current duties of managing solid waste.

Your Committees also received supportive testimony from the Hawaii Medical Association, the Hawaii Automotive & Retail Gasoline Dealers Association, and the Western States Petroleum Association.

Your Committees have amended this bill by changing the sign requirement on page 2, line 10, to at least 5 inches by 7 inches.

Your Committees on Planning, Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 1445, H.D. 1, as amended herein, and recommend that it pass Second Reading in form attached hereto as H.B. No. 1445, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hashimoto and Okamura.

SCRep. 735 Planning, Energy and Environmental Protection on H.B. No. 1685

The purpose of this bill as received is to allow for an aggrieved person to petition an agency for reconsideration of a determination that an environmental impact statement (EIS) is or is not required and establishes a shorter time schedule for the initiation of judicial appeals of such determinations.

Currently, the only process available to appeal agency EIS determinations is to initiate costly and time consuming judicial proceedings. This bill would establish a procedure for administrative appeal, providing a forum whereby aggrieved persons may voice their objections without incurring considerable costs or delay. This bill would also ensure that all administrative remedies are exhausted before the issue is appealed in court. Moreover, this bill will shorten the present 60 day period within which a judicial appeal can be filed to 30 days and thus serve to speed implementation of both agency and applicant actions in the vast majority of cases where no petitions for reconsideration are submitted.

Your Committee heard this bill along with H.B. No. 1142 which would give the Office of Environmental Quality Control (OEQC) aggrieved party status for the purpose of bringing judicial action on agency determination and (EIS) acceptance matters.

Your Committee has amended this bill by incorporating the amendment to §343-7(c) found in H.B. No. 1142 into Section 2 of this bill. Inclusion of the OEQC as an aggrieved party should serve to encourage interagency coordination with OEQC on environmental management issues prior to decision making. It will similarly encourage OEQC to take a more active role in responding to and assisting in an advisory capacity to agencies and their environmental review needs on a timely basis.

Your Committee has further amended this bill by amending the proposed paragraph §343-5(d) in Section 1 to specify that any person aggrieved by an agency's determination upon reconsideration may seek judicial review in the circuit court. As originally drafted this bill appeared to give such persons standing for contested cases under Chapter 91. Your Committee finds that it is not the intent of this bill to add contested case proceedings into the EIS process. Rather, the intent of this bill is to provide for more simplified administrative appeal procedure before a person seeks judicial review.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1685, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Isbell.

SCRep. 736 Planning, Energy and Environmental Protection on H.B. No. 471 (Majority)

The purpose of this bill is to require that the Director of Health prohibit cesspools only through the adoption of administrative rules and on the basis that sufficient evidence that water resources are being threatened exist.

Chapter 62, "Wastewater Systems," of the Department of Health Administrative Rules, which became effective on December 10, 1988, contains provisions for identifying critical wastewater disposal areas which are established based on information or experience on the failure of cesspools in high water tables areas, impermeable substructure, flood prone and steep terrain. Critical wastewater disposal areas are also to be identified in areas where information alludes to the potential contamination of coastal waters and fresh underground water resources.

Your Committee concurs with the Department of Health's concern regarding the potential of cesspools to contaminate coastal waters and fresh underground water resources. Installation of cesspools in such "critical wastewater disposal areas" is not appropriate. However, your Committee believes that there are areas in the State where cesspool installation does not pose a threat to coastal waters and fresh underground water resources.

A statewide ban on cesspools would have significant ramifications on the building industry of Hawaii and will influence the costs of building single family homes, especially in rural and remote areas where it is impractical to connect to or install public sewer systems. Given the potential impact of such a ban your, Committee feels that it is appropriate to require the Department of Health upon designating critical wastewater disposal areas to provide evidence that cesspools would provide a risk to water resources.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 471 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 Hashimoto.
(Representative Isbell did not concur.)

SCRep. 737 Planning, Energy and Environmental Protection on H.B. No. 1023

The purpose of this bill is to require that all plastic containers have labels indicating the plastic resin used to produce the plastic container product.

Your Committee finds that mandatory plastic coding could help reduce the amount of plastic being produced and used, which in turn could reduce the severe plastic pollution problem in the State.

The bill has been amended to include definitions for "label", "plastic", "plastic bottle", and "rigid plastic container". The bill has also been amended to be effective on or after January 1, 1992, instead of July 1, 1991. In addition, further clarification has been added with regard to the labeling requirements. Other technical, nonsubstantive amendments have also been made for the purposes of style and clarity.

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

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 738 Planning, Energy and Environmental Protection on H.B. No. 1902

The purpose of this bill, as received by your Committee, is to clarify and modify aspects of the Coastal Zone Management Act, Chapter 205A, Hawaii Revised Statutes.

Your Committee heard this bill along with H.B. No. 25, which among other things, establishes the setbacks of shorelines along waterfront lands classified as urban districts to forty feet. In addition, it establishes the setbacks of shorelines along waterfront lands not classified in the urban districts to three hundred feet inland from the shoreline.

Your Committee finds that these two bills seek to clarify and modify the Coastal Zone Management Act. Your Committee has incorporated into this bill those portions of H.B. No. 25 which are subjects appropriate to coastal zone management.

Your Committee received testimony on this bill from the Office of State Planning, the Department of Land and Natural Resources, Department of Land Utilization of the City and County of Honolulu, the Land Use Research Foundation of Hawaii, the Natural Resources Defense Council, and the Life of the Land.

This bill has been amended as follows:

- (1) By adding a new section to Chapter 205A to require public and private notice and a public hearing under chapter 91 before approval of a shoreline variance. Notice is required, but a public hearing may be waived for moving sand makai of the shoreline; protection of structures costing more than \$20,000 and at risk of immediate damage from shoreline erosion; maintenance and minor alterations of legal boating, maritime, and watersports facilities; and other structures or activities if no one requests a public hearing within twenty-five days of public notice;
- (2) By adding a new section to Chapter 205A to require Counties to adopt rules within two years identifying high quality beaches where seawalls and revetments will not be allowed;
- (3) By adding a new section to Chapter 205A to require county planning departments to ensure removal or correction of structures or activities in violation of the Coastal Zone Management Act. When illegal shoreline structures built without permits are partially on private property, they are to be construed as entirely within the shoreline setback area. The authority of the Department of Land and Natural Resources to determine the shoreline and enforce its rules cannot be diminished by illegal shoreline structures;
- (4) By adding new definitions for "board approval" and "structure" in Section 205A-41;
- (5) By amending Sections 171-58.5 and 205A-44 so that sand cleared in maintenance operations be placed on adjacent areas to prevent the continuous loss of sand from beaches that can cause or exacerbate erosion and will ensure the discretionary authority of the Counties to impose conditions on or to deny protection structures;
- (6) By amending the definition of "shoreline" in Section 205A-1 to mean the upper reaches of the wash of the waves other than storm and seismic waves;

- (7) By deleting the amendments to the definitions of "special management area minor permit" and "special management area use permit" in Section 205A-22;
- (8) By amending Section 205A-29 to make technical, nonsubstantive amendments;
- (9) By amending Section 205A-32 to clarify statutory civil fine provisions for illegal development without a required Special Management Area Permit and for the first time establishes civil fines for illegal development without a required shoreline variance;
- (10) By amending the definition of "shoreline area" in Section 205A-41 by expanding the shoreline area by the Counties to include the area between mean sea level and the shoreline for the purposes of enforcing shoreline setback requirements;
- (11) By amending Section 205A-43 to set out a variety of administrative responsibilities for county planning departments associated with regulating development within the shoreline setback area. The bill also provides that the counties may by ordinance expand the shoreline area to include the area between mean sea level and the shoreline;
- (12) By amending Section 205A-44 by explicitly providing for the regulation of excavation in the shoreline area with shoreline variances and repeals a more elaborate process applicable only to public agencies. Statutory authorization for shoreline structures to protect property from erosion or wave damage has been repealed. In addition, the statutory list of structures that do not require a shoreline variance has been expanded;
- (13) By amending Section 205A-45 by rewriting and expanding the criteria for granting shoreline variances. Shoreline variances would be allowed, but no longer mandatory in cases of hardship. Landscaping would be permitted, provided there are no adverse impacts to beach processes and the shoreline is not artificially fixed. The Counties are required to adopt rules defining "hardship", but are prohibited from determining hardship on the basis of discretionary county permits or approval after the effective date of this bill. Conditions to be imposed on shoreline variances to minimize adverse impacts have also been set forth;
- (14) By amending Section 205A-49 to allow up to one year for the adoption of most rules required by the bill; and
- (15) By repealing Section 205A-47, which exempts certain public facilities from having to obtain a shoreline variance.

Your Committee has also amended this bill by providing that this bill will not affect the rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date to ensure this bill will not create undue hardships to affected parties. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1902, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 739 Planning, Energy and Environmental Protection on H.B. No. 1872

The purpose of this bill is to clarify that government agencies may enter into multi-year energy performance contracts for energy efficiency improvements in State and county facilities. In this regard, the title of Section 36-41, Hawaii Revised Statutes, has been changed from "third-party financing for public facilities" to "energy performance contracting for public facilities". The bill also specifies the bidding and contracting procedures for these multi-year contracts.

Your Committee finds that performance contracting affords public agencies the opportunity to pursue energy efficiency improvements that may otherwise be overlooked. These are complex arrangements requiring the close scrutiny of all of the involved parties.

Upon the recommendations of the Department of Business and Economic Development, your Committee has amended this bill by deleting the last sentence of paragraph (5) of subsection (b) because the Department did not feel it was necessary to address the issue of additional termination requirements in this bill. Conditions of termination in each performance contract would be more appropriately negotiated and agreed to between the state agency and the contractor. According to existing law, it is expected that upon termination of a performance contract, the contracting agency would limit payment to the contractor to that part of the contract that is satisfactorily completed at the time of termination.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1872, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 740 Planning, Energy and Environmental Protection on H.B. No. 1848

The purpose of this bill is to amend section 328-8 (c), Hawaii Revised Statutes, to bring it in accordance with a recodification of federal regulations.

This bill is a housekeeping measure. At present, Chapter 328, Hawaii Revised Statutes, authorizes the Department of Health to enforce the federal regulations pertaining to tolerances for pesticide residue in food. Recently, the federal government recodified its regulations for pesticide tolerances in processed food. This bill reflects this recodification.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1848 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 Hashimoto.

SCRep. 741 Planning, Energy and Environmental Protection on H.B. No. 383

The purpose of this bill is to prohibit the manufacture, distribution, sale or offer for sale of beverage containers known as "plastic cans."

Your Committee received testimony in support of this bill from the Department of Health, the Environmental Center, the Sierra Club, the Hawaii Food Industry Association, and the Hawaii Democratic Movement. This testimony indicated that aluminum and plastic, if retained as separate materials, are recyclable. However, "plastic cans", being a combination of aluminum and plastic, are not recyclable.

Your Committee feels that the state should not permit packaging, such as "plastic cans", which is inappropriate for recycling.

Your Committee has amended this bill by revising the definition of "plastic can" to refer to all containers made up of "one or more plastics and aluminum in the basic structure of the container exclusive of closure."

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 383, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 742 Planning, Energy and Environmental Protection on H.B. No. 724

The purpose of this bill is to provide public hearings prior to the designation of any State owned lands into the reserves system or prior to having the Governor modify or revoke an executive order that sets aside lands for the reserves system, and to make nonsubstantive changes to Section 195-4, Hawaii Revised Statutes.

The public currently does not have the opportunity to express its concerns, criticisms, or opinions when State owned land is being proposed for Natural Area Reserve status or when a boundary change or revocation is being considered for an established reserve. The amendments in this bill will provide a formal mechanism by which the Department of Land and Natural Resources will be better able to serve the public when a change in reserve status is being considered.

Your Committee has amended this bill by requiring that notice shall also be published in the office of environmental quality control bulletin.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 724, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 743 Planning, Energy and Environmental Protection on H.B. No. 54

The purpose of this bill as received is to improve the protection of the public health from unsanitary and infectious wastes through two strategies: the development of regulations for handling infectious medical wastes and requiring that all landfills provide for the opportunity to recycle.

Your Committee finds that the public needs to place confidence in the State's system of handling and disposing of infectious wastes, and that steps need to be taken to reduce the amount of wastes now being deposited in landfills.

Your Committee finds that this bill gives the Department of Health strong guidelines for the development of administrative rules regarding the management and disposal of infectious wastes. The guidelines proposed in this bill are necessary for a comprehensive system to manage infectious wastes.

The Department of Health expressed concern that requiring all potential generators of infectious wastes to show proof that wastes are being managed and disposed of in accordance with departmental rules could prove to be a great administrative burden. Private homes with insulin dependent diabetics would be affected as well as hospitals and clinics. Your Committee feels that it would be more effective if the Department of Health is given discretion to focus in on specific areas of concern. Accordingly, your Committee has amended Section 3 of the bill by stipulating that generators of

infectious medical wastes shall show proof of proper management and disposal "upon request of the department." Your Committee has further amended this section by clarifying that the rules will pertain to infectious wastes rather than just infectious medical wastes.

Your Committee has further amended this bill by deleting Section 2 of the bill, which proposes to revise all landfill permits to require the opportunity to recycle. Your Committee strongly believes that recycling is inextricably linked to the amount of solid wastes being disposed of in our landfills, and that it is essential that Hawaii take bold steps to encourage recycling and provide alternatives to landfilling. However, your Committee feels that requiring all landfills to provide a place for the collection of recyclable materials could create hazardous conditions and subject operators to potential liabilities. Furthermore, for the majority of existing and proposed landfills, their remote locations would not be conducive to efficient collection and transportation of recyclable materials.

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

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 54, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 54, H.D. 2.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 744 Judiciary on H.B. No. 836

The purpose of this bill as received by your Committee, is to require pre-test and post-test counseling for the drawing of blood for the purpose of testing the presence of human immune deficiency virus (HIV) infection.

The bill would make the above requirements mandatory except that blood banks, providers of blood products, sperm banks and organ donation agencies are specifically exempted from pre-test counseling requirements except when the test results are HIV positive.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii, the Life Foundation, the Department of Health, the Governor's Committee on AIDS and the Hawaii Medical Association.

From the testimony, it appears that pre-test counseling is necessary in order to obtain meaningful informed consent, while post-test counseling for those tested seronegative is needed to prevent infection by identifying high risk behaviors which may expose someone to greater risk of infection. As for those who tested seropositive, post-test counseling would serve to encourage behavior change that will prevent infection of others and to encourage monitoring and treatment.

Your Committee notes that there are concerns within the medical community about potential physician liability for failure to counsel adequately and the desirability of giving doctors greater discretion regarding the manner in which counseling is provided. Accordingly, the bill has been amended so that: 1) counseling is not mandated if the person tested does not want it; 2) the Department of Health is to adopt guidelines instead of administrative rules regarding the substance of the counseling; 3) the meaning of "pre-test" and "post-test" are clarified; and 4) any person tested for HIV shall have access to the test results.

Your Committee has also received testimony from the insurance industry asserting that it would be an added cost or expense to comply with the foregoing counseling requirements. Your Committee does not find that insurers should be exempted from the provisions of this measure. However, it is the intent of your Committee that the pre- and post-counseling conducted by the insurance industry be tailored in such fashion so that such counseling would serve the important function of notice, instead of counseling that entails education, therapy or behavior modification. Your Committee finds that by enabling the Department of Health to establish guidelines on the substance of counseling, the department would be guided by our intent herein regarding the insurance industry. Though they are not exempt from the requirements, the guidelines of the department should reflect that the counseling they must provide should encompass only what is needed to fully inform and notify the person tested of the results of tests.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 836, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 836, H.D. 1.

Signed by all members of the Committee.

SCRep. 745 Judiciary on H.B. No. 821

The purpose of this bill is to waive the requirements of public auction when the value of any abandoned vehicle is less than \$250 as determined by the Director of Finance or his authorized representative. Such abandoned vehicles may then be disposed of in the same manner as when a vehicle is put up for public auction and for which no bid is received.

Your Committee received favorable testimony from a representative of the Director of Finance, City and County of Honolulu, and finds that this measure will allow for the disposal of abandoned vehicles without going through the time and expense of hiring an independent appraiser and without the need for advertisement and public auction. Moreover, the majority of the abandoned vehicles sold at auctions are ten years or older and are auctioned for less than \$10 each. Your Committee finds that to require independent appraisers and public auctions is not cost-effective. This measure will facilitate the effort to curtail the proliferation of abandoned vehicles, which impacts negatively upon the aesthetic, safety, and environmental concerns of our State.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 821, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 821, H.D. 2.

Signed by all members of the Committee.

SCRep. 746 Judiciary on H.B. No. 1751

The purpose of this bill is to allow Hawaii residents to obtain Hawaii license plates and registration for motor vehicles they buy from the mainland.

Your Committee finds that the current statute is restrictive in that it only allows Hawaii's Congressional Representatives or members of their staff who buy new vehicles that are not physically located in Hawaii to obtain Hawaii registration and license plates. Due to the vehicle registration laws of some of our sister states, residency is a prerequisite for obtaining those states' registration and license plates. There have been instances whereby Hawaii residents who travel to the mainland, buy a new or used vehicle and are unable to obtain registration from either there or in Hawaii.

Your Committee received favorable testimony from a representative from the Department of Finance, City and County of Honolulu.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1751, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1751, H.D. 2.

Signed by all members of the Committee.

SCRep. 747 Labor and Public Employment on H.B. No. 1802

The purpose of this bill is to amend the definition of "employee" in Section 87-1, Hawaii Revised Statutes, relating to the Public Employees Health Fund and to increase public employers' monthly Health Fund contributions for retirees with less than ten years of service.

Your Committee finds that this bill would simplify the definition of "employee" by eliminating redundant language. Further, this bill would allow the State and Counties to grant Health Fund benefits to persons certified by the Director of Personnel Services as performing services special, unique, or essential to the public interest.

Your Committee has received favorable testimony on this measure from the Department of Budget and Finance and the City and County of Honolulu Department of Civil Service.

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

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1802, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1802, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 748 Labor and Public Employment on H.B. No. 1316

The purpose of this bill is to provide eligible employees with temporary disability insurance benefits for the duration of their disability.

Currently, subsection (b) of section 392-21, Hawaii Revised Statutes, establishes a seasonality limitation. Mauna Loa Macadamia Nut Corp. v. Agsalud, case number 10754 (decided April 14, 1986)(Memorandum Opinion). Section 392-21(b) provides that an employee who becomes disabled is not entitled to receive temporary disability insurance benefits for periods of disability which coincides with periods during which the employee would not have earned wages because of the schedule of the employer's operations. Thus, seasonal employees would be deprived from receiving temporary disability insurance if they become disabled during the closing period of their seasonal engagement.

Upon consideration of the testimony and review of the relevant history of chapter 392, your Committee finds that the seasonal limitation on benefits contained in section 392-21(b) was applied to agricultural workers only. Therefore, this bill amends section 392-21(b) to provide that agricultural workers whose benefits were previously limited by seasonal changes will no longer be so restricted. Agricultural workers shall be placed on equal footing with all other claimants under chapter 392.

The intent of this bill is consistent with the humanitarian purposes and remedial character of the employee benefit laws of Hawaii. By eliminating the seasonality limitation, which has been read to exist under subsection (b) of section 392-21, this measure is intended to provide relief to agricultural employees.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1316 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 749 Labor and Public Employment on H.B. No. 1820

The purpose of this bill is to add new responsibilities to the Commission on Employment and Human Resources in its role as the State Council on vocational education. The Commission would serve in an advisory role to the Governor, the State Legislature, the State Board of Education, and the University of Hawaii Board of Regents in matters relating to career education.

Your Committee received testimony from the Department of Labor and Industrial Relations and the Department of Education.

Your Committee has amended this bill to include a new section, that requires the Department of Labor and Industrial Relations to report back to the legislature twenty days prior to the start of session on the progress and accomplishments of the Commission implementing the intent of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1820, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 750 Labor and Public Employment on H.B. No. 586

The purpose of this bill is to change the composition of the Board of Trustees of the Employees' Retirement System to provide for equal representation on the Board between public employers and public employees.

As presently constituted, the Board of Trustees is made up of seven members including the Director of Finance, three members of the retirement system to be elected by the members and three citizens of the State to be appointed by the Governor. Each trustee is entitled to one vote and four concurring votes are necessary for a decision of the trustees.

The intent of the bill is to provide for a board composed of fourteen members, seven of which would represent the public employers, namely, the Governor, the four Counties, the Board of Education and the Board of Regents of the University of Hawaii, and the remaining seven of which would represent the present exclusive representatives of public employee bargaining units. The bill, in recognizing that the number of exclusive bargaining units is less than seven and may change over a period of time, established a formula for maintaining equal representation on the board as intended by the bill.

The bill has been amended to delete the formula and to simplify the composition of the board by setting the number and representation of trustees based on existing circumstances without attempting to provide for future changes in exclusive representation in collective bargaining.

Your Committee believes that the interest of all members of the retirement system should be effectively represented on the board. In consideration of the concerns expressed by the public employee retiree group, your Committee has amended the bill by providing for the appointment of a retirant on the board.

The provision on staggered terms of the trustees for the initial appointments and the voting provision were also amended.

While tie votes of seven for and seven against are quite possible in a board composed of fourteen members, the provision to break the tie by the vote of a non-member was deleted. The intent of the bill that at least eight votes of the members are required to carry a decision was retained with an amendment to reflect the fourteen member composition of the board.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 586, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 751 Labor and Public Employment on H.B. No. 1789

The purpose of this bill is to provide county mayors authority to modify business hours and days by executive order or directive to improve public service.

Your Committee finds that currently only the Governor is authorized to modify public business hours. It is reasonable that the mayors of the counties be accorded the same authority to modify business hours to provide better county services to the public. Both the Department of Civil Service of the City and County of Honolulu and the Department of Personnel Services agreed that the authority to modify business days on the county level, based on conditions stipulated in the present law, is highly desirable.

Your Committee heard this bill along with H.B. No. 1727, which also proposed to provide the county mayors authority to modify business hours and days by executive order to improve public service.

Your Committee finds that these two bills share a common intent and purpose of giving county mayors the authority to modify business hours and days to improve public service; and the two measures are almost identical.

For the purposes of clarity, your Committee has integrated these two bills into one vehicle, H.B. No. 1789. This bill has been amended to make technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1789, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 752 Labor and Public Employment on H.B. No. 730

The purpose of this bill is to establish a new advisory committee on training, and to clarify that the Director of Personnel Services may utilize the services of institutions, organizations or individuals possessing education and training competence in order to enhance in-service training in the State civil service system.

Your Committee received testimony from the Department of Personnel Services.

Your Committee has amended this bill to retain the original language of government employees under section 81-1, Hawaii Revised Statutes.

Your Committee has further amended this bill by providing an equitable solution to the seven member composition of the advisory committee by retaining only two out of three members from among the exclusive representatives of collective bargaining units.

Because the committee is an advisory committee which serves at the pleasure of the director of personnel services, your Committee deleted the provision which makes the committee advisory to the director of personnel services.

The provision on serving without compensation was amended for purpose of maintaining consistency with similar provisions in the Hawaii Revised Statutes.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 730, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 753 Education on H.B. No. 481

The purpose of this bill is to mandate the Department of Education to establish and maintain kindergarten and to require all children who will be five years of age on or before September 1 of the school year to attend public or private kindergarten.

The Department of Education, the Concerned Women for America, and the American Freedom Coalition testified against this measure.

The Office of Children and Youth testified in favor of the concept of developmentally appropriate education for young children, but expressed concern regarding the lack of flexibility for parents in determining the type of early childhood education program they wish to choose for their children and regarding the availability of kindergarten or early childhood education teachers. The Office of Children and Youth also indicated that some children in rural areas have been unable to attend kindergarten classes at their local schools and have been directed to attend kindergarten classes at the next available school, which might be many miles away.

The Hawaii State Teachers Association testified in favor of the bill.

Your Committee believes that the Department of Education should be mandated to establish and maintain a kindergarten program. The current language of Section 298-4, Hawaii Revised Statutes, is permissive in this regard. Requiring the Department to provide this program will assure that every child in Hawaii will have the opportunity to attend kindergarten at their neighborhood school.

Your Committee has amended this bill to address the concerns of those who oppose mandatory kindergarten for their children. Language which would lower the compulsory age of school attendance has been deleted.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 481, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bundla, Hashimoto and O'Kieffe.