

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. 1 on S.B. No. 103**

The purpose of this bill is to: (1) repeal the statutory section granting the district courts jurisdiction over leased or rented personal property; (2) repeal the statutory provision prohibiting district courts from having jurisdiction over actions for defamation, malicious prosecution, false imprisonment, breach of promise or marriage, or seduction and power to appoint referees in any cause; and (3) raise the statutory qualifications for appointment as a district court judge from a five year minimum to a ten year minimum of licensure.

Your Committee upon further consideration has amended this bill by deleting all of the above sections, and inserting a proposal for a constitutional amendment to raise the minimum qualifications to become a district court judge from five years of licensure to ten years of licensure preceding nomination.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 103, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 103, H.D. 1, C.D. 1.

Representatives Metcalf, Hiraki, Bellinger, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Blair, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 2 on H.B. No. 2053**

The purpose of this bill is to amend Sections 4, 5, and 6, Article IV, of the Constitution of the State of Hawaii, to conform the sections to federal constitutional laws on apportionment.

Your Committee upon further consideration has made the following amendments to H.B. No. 2053, H.D. 1, S.D. 1:

- (1) Deleted the second, third, and fourth sentences of Section 1;
- (2) Deleted the words "total population or" from the proposed amending phrase "persons of the total population or adjusted population" found in Section 4 and Section 6; and
- (3) Substituted the word "Whenever" for "Where" found on page 4, line 2 of the Senate Draft for the purpose of consistency and clarity.

Your Committee stresses its intention to make clear that the use of the term "adjusted population" means that population adjusted to exclude:

- (1) Nonresident active-duty military personnel and their dependants;
- (2) Resident aliens, should this data be provided by the U.S. Bureau of the Census in future censuses; and
- (3) Other transient populations in the State, should such data be provided by the U.S. Bureau of the Census in future censuses,

providing that the process meets with federal constitutional requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2053, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2053, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hiraki, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Menor, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 3 on S.B. No. 3341**

The purpose of this bill is to allow eligible foster children who are twenty-one years old or younger to receive foster board allowances if they are attending accredited institutions of higher learning on a full-time basis either in the state or out-of-state.

Your Committee has amended the bill by deleting language that would allow foster board payments to be paid to a designee, other than the foster parents, if approved by the Department of Human Services,

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3341, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3341, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Fukunaga, Amaral, Ihara, Metcalf, Leong, Duldulao and Cavasso,  
Managers on the part of the House.

Senators McMurdo, Levin and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 4 on S.B. No. 973**

The purpose of this bill is to clarify and improve the effectiveness of the budgetary process of the Office of Hawaiian Affairs (OHA). Specifically, the bill would amend chapter 10, Hawaii Revised Statutes, to require OHA to prepare and submit budgets, a six-year program and financial plan, and a variance report to the Legislature utilizing the same submission schedules specified for the governor in chapter 37, Hawaii Revised Statutes, and containing the program information specified in that chapter to the extent applicable to OHA. The bill would also require OHA to submit to the Legislature each year an accounting of the expenditures made in the prior fiscal year and would clarify that the annual report to be submitted to the Legislature each year is the annual report covering the prior fiscal year. The bill would also require OHA to provide opportunities for beneficiaries in every county to participate in the preparation of each biennial and supplemental budget. Finally, the bill would require OHA to submit progress reports, by December 31, 1990 and December 31, 1991, on management improvements and the effectiveness of OHA's programs.

Your Committee finds it appropriate to request reports at the end of 1990 and the end of 1991 to ensure that progress is made in improving the management of the office. Each report must include the problems or shortcomings identified by internal and external reviewers; the causes of the problems or shortcomings; the plans and timetable to address the problems or shortcomings; the organizational units responsible for making improvements; the criteria and means by which program effectiveness has been or will be evaluated, including the impact on beneficiaries; and any assessments of effectiveness.

Your Committee also notes that it specifically intends that the office of Hawaiian affairs, in holding public hearings or meetings on proposed biennial or supplemental budgets, will prepare a proposed budgetary document with sufficient detail and make copies of the proposed budgetary document available in advance of the public hearing or meeting. In this way, beneficiaries will have an adequate opportunity to review and make comments on the specifics of OHA's budgetary proposals prior to their finalization by the board of trustees and submittal to the Legislature.

Your Committee upon further consideration has made the following amendments to S.B. No. 973, S.D. 2, H.D. 1:

- (1) Changed the effective date of the amendments to chapter 10, Hawaii Revised Statutes, from July 1, 1990 to July 1, 1992 in order to provide OHA with adequate time to incorporate the new budgetary procedures into its management and operational processes, with the exception that the requirement that beneficiaries in every county be provided opportunities to participate in the preparation of each biennial and supplemental budget will take effect on July 1, 1990; and
- (2) Clarified that the accounting of expenditures report be submitted to the Legislature "not less than" twenty days before each "regular session" of the Legislature, in accordance with standard reporting requirements.

Your Committee on Conference is in accord with the intent and propose of S.B. No. 973, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 973, S.D. 2, H.D. 1, C.D. 1.

Representatives D. Ige, Souki, Isbell, Kanoho, Tajiri and O'Kieffe,  
Managers on the part of the House.

Senators Crozier, Solomon and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 5 on S.B. No. 2699**

The purpose of this bill is to amend the Hawaiian Homes Commission Act, 1920, to authorize the Department of Hawaiian Home Lands (DHHL) to extend the term of leases on Hawaiian home lands. The maximum lease extension would be for a period of one hundred years, in addition to the original ninety-nine year term. The bill would also amend the Hawaiian Homes Commission Act, 1920, to clarify that any condition imposed by the Department requiring a lessee to occupy and commence use of leased land within one year after the "lease is made" means after the "commencement of the term of the lease," rather than after the lease is executed. Similarly, the bill would clarify that the seven-year tax exemption for original lessees "from date of lease" means "after the commencement of the term of the lease," rather than after the lease is executed. Finally, the bill would amend the Hawaiian Homes Commission Act, 1920, to exempt lessees from real property taxes assessed upon the tract of land leased, with lessees only being responsible for payment of taxes on improvements placed on the land.

Your Committee, upon further consideration, has amended S.B. No. 2699, S.D. 1, H.D. 1, to delete the provision which would have exempted lessees of Hawaiian home lands from the payment of taxes on the tract of land leased. While your Committee is sympathetic to the financial plight of many homesteaders, particularly those homesteaders who received unimproved lots during the 1984-1987 Accelerated Award Program which cannot be occupied or used, your Committee felt compelled to defer the proposed tax exemption, at least until the counties are fully consulted. Any change to the real property tax laws of this magnitude could have a substantial impact on revenues available to the counties. In this regard, your Committee supports adoption of S.C.R. No. 41, S.D. 1, requesting comments from the counties on this proposed real property tax law change, including information on the true value of Hawaiian home lands leased to native Hawaiians

given the many restrictions placed on these lands. Your Committee has also made minor grammatical and technical amendments to S.B. No. 2699, S.D. 1, H.D. 1, which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2699, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2699, S.D. 1, H.D. 1, C.D. 1.

Representatives D. Ige, Isbell, Bellinger, Hiraki and O'Kieffe,  
Managers on the part of the House.

Senators Crozier, Cobb and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 6 on H.B. No. 2233**

The purpose of this bill is to define the boundaries of the state marine waters as extending twelve nautical miles seaward from the upper reaches of the wash of the waves on shore and the archipelagic waters. It also defines the territorial sea as the waters and seabed extending seaward to twelve nautical miles from the baseline of the United States as determined in accordance with international law and as established by Presidential Proclamation 5928, dated December 27, 1988. In addition, it redefines the Coastal Zone Management Area.

Your Committee finds that limiting state marine waters to twelve nautical miles would exclude Hawaii's marine waters' baselines and restrict the outer extension of the marine waters. It is conceivable that, in the future, the State would want to allow flexibility in interpreting Hawaii's present and future claims and eventually assert its police power and management authority to the extent of the 200 mile Exclusive Economic Zone.

Your Committee recognizes that specifically citing archipelagic claims is not necessary and would confuse proprietary and sovereignty issues with police power and management.

Therefore, your Committee has amended this bill by:

- (1) Defining state marine waters as extending from the upper reaches of the wash of the waves seaward to the limit of the State's police power and management authority, including the U.S. territorial sea;
- (2) Deleting Section 8 which references the definition of territorial sea, and renumbering the sections to be consecutive;
- (3) Amending the definition of "Coastal Zone Management Area" to make the seaward portion of the State's coastal zone management area consistent with the new definition of State marine waters; and
- (4) Making a technical, nonsubstantive change for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2233, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2233, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Metcalf, Bellinger, Kanoho, Say and O'Kieffe,  
Managers on the part of the House.

Senators Matsuura, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 7 on H.B. No. 1023**

The purpose of this bill is to add a new part to Chapter 342, Hawaii Revised Statutes, 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 would facilitate the ability to recycle plastic, which in turn could reduce the amount of plastic in the solid waste stream.

Act 212, Session Laws of Hawaii, repealed Chapter 342 and replaced it with seven new chapters dealing with environmental quality. Accordingly, your Committee has amended this measure by deleting reference to the repealed chapter, and adding a new part to Chapter 342H, which relates to Solid Waste Pollution.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1023, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1023, H.D. 1, S.D. 1, C.D. 1.

Representatives Andrews, Apo, Hiraki, Honda, Kanoho and O'Kieffe,  
Managers on the part of the House.

Senators Ikeda, Hagino and Reed,

Managers on the part of the Senate.

**Conf. Com. Rep. 8 on H.B. No. 2368**

The purpose of this bill is to exempt persons possessing disabled parking placards from paying metered parking fees in any metered parking space for a maximum of two-and-one-half hours or the maximum amount of time the meter allows, whichever is longer.

Your Committee on Conference finds that assessing meter fees for a patron of a disabled parking stall is not a feasible means of parking fee assessment. Your Committee on Conference further finds that in situations where all disabled parking stalls are occupied, a disabled driver may find it necessary to park in a regular metered parking stall. Your Committee on Conference also finds that there are situations where a disabled driver may have a disability which makes it difficult, or precludes that individual from feeding a parking meter.

Your Committee has amended this bill as follows:

- (1) By limiting the exemption from metered parking fees in regular parking stalls to disabled drivers only;
- (2) By deleting the requirement for a special placard; and
- (3) By requiring that placard holders be responsible for all parking fees except those specifically exempted.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2368, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2368, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Shon, Bybee, Tajiri and Marumoto,  
Managers on the part of the House.

Senators Fernandes Salling, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 9 on H.B. No. 2014**

The purpose of this bill is to create a definition of a pickup truck in Section 291-14, Hawaii Revised Statutes. The new definition defines a pickup truck as a light truck with a cab on the front part of the vehicle covering the driver's seat, and an open bed behind the cab designed primarily to transport property or cargo, with sides and a tailgate to retain the contents within the confines of the bed, and has a maximum gross vehicle weight rating (GVWR) of 10,000 pounds or less. This bill also deletes the section exempting vehicles engaged in business related activities and businesses that serve the public, making the statute applicable to all pickup trucks.

Upon further consideration, your Committee on Conference has agreed to amend this bill by retaining the current statutory provisions regarding exemptions for persons or corporations operating a business or businesses that serve the public, who or which are subject to the jurisdiction, supervision, and regulations prescribed by state agencies or departments, and their agents or employees when engaged in the business of such persons or corporations.

Technical, non-substantive amendments were also made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2014, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2014, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Metcalf, Bybee, Yoshimura and Marumoto,  
Managers on the part of the House.

Senators Fernandes Salling, Nakasato and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 10 on H.B. No. 3125**

The purpose of this bill is to amend Section 473D, Hawaii Revised Statutes, by requiring that rental motor vehicles display a decal stating Hawaii's seat belt and child passenger restraint laws, and the prohibition against driving under the influence of intoxicating liquor. This bill further requires that the requirements and penalties of Hawaii's seat belt and child passenger restraint laws, and the prohibitions against and penalties for driving under the influence of intoxicating liquor be printed on a card which shall be placed in the glove compartment of every rental motor vehicle.

Your Committee on Conference finds that motor vehicle rental companies have been having a difficult time reducing the information presently required by statute to a reasonable size. Your Committee on Conference agrees that a decal displayed at all times would suffice as long as a card is placed in the glove compartment of the rental motor vehicle which states the penalties for violations of the seat belt and child restraint laws, and prohibitions against and penalties for driving under the influence of intoxicating liquor.



Your Committee on Conference has amended this bill by requiring that the decal contain information on the location of the card, which includes the requirements and penalties of Hawaii's seat belt and child passenger restraint laws, and the prohibitions against and penalties for driving under the influence of intoxicating liquor.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3125, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3125, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Oshiro, Hirayama, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Fernandes Salling, Nakasato and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 11 on H.B. No. 2131**

The purpose of this bill is to help alleviate the shortage of nurses in Hawaii by streamlining the examination requirements for foreign-trained nursing applicants. The bill also:

- (1) Provides for a temporary permit under which a registered nurse of licensed practical nurse may work for a Hawaii employer pending verification of the person's license from another state; and
- (2) Authorizes a nonrenewable permit for the practice of nursing by a graduate of a school whose accreditation is recognized by the Board, as long as the candidate enters the first licensing examination scheduled by any board of nursing recognized by the Hawaii Board and submits an application for a license to practice in this State. This permit would be valid for three months or until the results of the licensing examination are received by the Board, whichever comes first.

Your Committee on Conference has amended SECTION 4 of this bill by inserting the words under subsection (3) on page 7, line 10, "...which is in or under the jurisdiction of the United States, and...." Your Committee on Conference finds that this amendment is needed in order to clarify the intent of this section.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2131, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2131, H.D. 1, S.D. 1, C.D. 1.

Representatives Shon, Arakaki, Kawakami, Leong and Liu,  
Managers on the part of the House.

Senators Blair, Hagino, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 12 on H.B. No. 3256**

The purpose of this bill is to amend Chapter 453, Hawaii Revised Statutes, to amend the present requirements for licensure to practice medicine.

This bill, as it passed the House, opened a window of opportunity for a particular individual to obtain a medical license. The Senate had amended this bill because it was concerned that licensure requirements should apply to all licensure applicants and not geared to one individual.

However, in view of the circumstances in this particular case, your Committee also sees merit in correcting a situation in which a particular individual had been accepted into his residency program and successfully completed the requirements for licensure, but was denied taking the examination for licensure. Therefore, upon further discussion, this bill has been amended by deleting Section 1, and by inserting language in order to allow this individual an opportunity to take the examination for licensure.

Your Committee notes that it does not anticipate that other applicants would become licensed under this temporary modification of the licensure rules. The modification corrects a situation where an applicant for licensure was allowed to complete a University of Hawaii medical residency program without taking the Educational Commission for Foreign Medical Graduates examination. Further, your Committee does not believe that this modification will be a threat to the health and safety of the public.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3256, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3256, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Cachola, Hayes, Shon and Cavasso,  
Managers on the part of the House.

Senators Blair, Chang and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 13 on H.B. No. 2011**

The purpose of this bill is to add language to Section 291C-131, subsection (g), Hawaii Revised Statutes, to provide the courts with the discretion to assess penalties for the improper transportation of loads against a previously cited driver or a previously cited vehicle for subsequent violations.

Your Committee on Conference finds that under current statutes, the criteria for determining second and third violations are compiled against a vehicle and not the driver at the time of the violation. Your Committee on Conference further finds that increasing the fines for the improper transportation of loads is justified in light of the immense danger that such illegally loaded vehicles pose on our highways. Your Committee on Conference further finds that increasing fines would act to enhance voluntary compliance with the law regarding the improper transportation of loads.

Upon further consideration, your Committee on Conference has amended this bill by raising the monetary penalties for all violations under this section.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2011, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2011, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Metcalf, Baker, Hirayama and Marumoto,  
Managers on the part of the House.

Senators Fernandes Salling, Nakasato and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 14 on H.B. No. 2008**

The purpose of this bill is to grant exemptions to pupil transportation restrictions in order to allow the transportation of pupils by vehicles other than school vehicles. This bill allows exemptions to be granted for the transportation to and from school-related functions in accordance with criteria developed by the Departments of Education and Transportation. This bill also allows exemptions for the transport of private school pupils to and from school, on a case-by-case basis, by a ridesharing program recognized by the Department of Transportation.

Your Committee on Conference finds that occasions occur in which a school bus may not be the most appropriate means of transporting students to and from school functions or school-related activities. Your Committee on Conference also finds that while school buses are equipped with certain features which enhance their safety, an adequate supply of school buses may not be available at certain times of the day to meet the student transportation needs for school-related functions or activities.

Your Committee on Conference also finds that exemptions on a case-by-case basis for students requiring special education or special services is also needed since the transportation of these pupils requires specialized vehicles for which there may be an inadequate supply of appropriate school vehicles.

Your Committee on Conference has amended this bill by deleting provisions allowing for the granting of exemptions, on a case-by-case basis, for the transport of private school students to and from school. Your Committee on Conference has further amended this bill by authorizing exemptions, on a case-by-case basis, for the transportation of students requiring special education and services. Technical, non-substantive amendments were also added for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2008, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2008, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Tam, Baker, Hirayama, D. Ige, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Fernandes Salling, B. Kobayashi and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 15 on H.B. No. 2994**

The purpose of this bill is to amend Section 267-3, Hawaii Revised Statutes by adding three new definitions of commercial high speed boating, open ocean racing boat, and water sledding. In addition, the purpose is to require the Department of Transportation to adopt rules to designate areas of the waters of the State and time periods during which ocean recreation thrill crafts, parasailing, commercial high speed boating, and water sledding may be operated; to comply with and implement the official recommendations of the National Marine Fisheries Service with regard to the protection of protected marine life and habitats; to begin restrictions from October 1, 1990; and to prohibit operation of a thrill craft, water sledding or commercial high speed boating, or operation of a motorized vessel towing a person engaged in water sledding in the designated areas during weekends and state holidays.

Your Committee finds that the operation of ocean recreation vehicles has caused serious adverse impacts on ocean congestion and public safety. In addition, your Committee is aware that increased water sports activities in our ocean are in dire need of regulation.

Your Committee is also mindful that the operation of thrill crafts and high-speed motorized vessels during certain times of the year poses an unacceptable risk of harm to endangered sea creatures such as migratory humpbacked whales and sea turtles due to the underwater noise of these vessels adversely disrupting the whale's acoustical environment, its mating system and threatening the survival of calves.

Therefore, your Committee has agreed to adopt the language of both the House and the Senate and amended this bill to include the following:

- (1) Stating how ocean recreation vessels create harm to endangered humpback whales and are a nuisance to the residential community;
- (2) Indicating that priority should be given to non-commercial recreational use;
- (3) Stating that commercial activities are banned on Oahu at Kaneohe Bay and Maunaloa Bay on weekends and state and federal holidays and that all commercial ocean recreation activities are prohibited on all Sundays at these two areas starting January 1, 1991;
- (4) Stating that between December 15 and May 15 of each year, no person shall operate a thrill craft, or engage in parasailing, water sledding, or commercial high speed boating, or operate a motor vessel towing a person engaged in water sledding or parasailing on the west and south coast of Maui;
- (5) Designating the exact areas and commercial zones of ban on Oahu and Maui; and
- (6) Adding a severability clause.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2994, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2994, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Metcalf, Say, Stegmaier and Yoshimura,  
Managers on the part of the House.

Senators Holt, Ikeda, McCartney and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 16 on H.B. No. 2878**

The purpose of this bill is to establish a voluntary reimbursable inspection program of "exotic animal" or game meats. As defined in this bill, "exotic animal" means any cloven-hoofed ruminant (cud chewing) animal considered feral (wild) in nature, other than domestic cattle, sheep, goats, or equines. For the purposes of this bill, domestic rabbits also are considered "exotic animal."

Your Committee finds that this new inspection service program is needed, because raising exotic animals for human consumption may become a viable agricultural industry in Hawaii as it has in other areas such as Texas and New Zealand. To cultivate and sustain the market demand, it is essential that the producers and processors of exotic animals provide assurance that their products are wholesome, properly marked, labeled, and packaged.

Currently, the Department of Agriculture (DOA) is conducting a trial inspection program for axis deer slaughtered on Lanai. The DOA also anticipates similar requests for inspection services for elk on Maui, American Bison on Kauai, antelope and axis deer on Molokai, and rabbit on Hawaii and Maui.

Your Committee's deliberations focused on the question whether a revolving fund for the exotic animal meat inspection service program (where reimbursements for services would be deposited into the revolving fund instead the general fund) is needed as proposed in the House draft version of this bill. While in agreement that a revolving fund would provide DOA with a programming, budgeting, and bookkeeping remedy for this emerging service program, your Committee believes that it would be in the public interest, for the time being, to refrain from establishing the revolving fund and to retain legislative flexibility and control in directing overall spending priorities through general fund appropriations.

Your Committee has therefore agreed to adopt the Senate draft version of this bill with the intent to use the development of this new service program as a pilot for further study and redirection. Upon further consideration, your Committee has amended this bill as follows:

- (a) Deleted the annual report provision in Section 1 (lines 11-17 on page 2 of this bill, as received); and inserted a new Section 16 (lines 22-23 on page 34 and lines 1-5 on page 35 of this bill, as amended) to revise the report provisions to the Legislature from an annual report to a report prior to the convening of the regular session of 1991;
- (b) Included the drop dead provision in Section 18 (lines 8-9 on page 35 of this bill, as amended) to allow the Legislature to review the manner in which the legislation has worked;
- (c) Renumbered the appropriate sections for consistency; and
- (d) Made technical, nonsubstantive amendments to the bill for the purpose of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2878, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2878, H.D. 1, S.D. 1, C.D. 1.

Representatives Honda, Metcalf, Fukunaga, Baker and O'Kieffe,  
Managers on the part of the House.

Senators Ikeda, Aki and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 17 on H.B. No. 1660**

The purpose of this bill is to amend the Statute of Frauds, Section 656-1, Hawaii Revised Statutes, to prohibit an action against a person upon an agreement by the person to lend money or extend credit in an amount greater than \$50,000 unless the promise or contract is in writing and signed by the person charged or a duly authorized representative.

Your Committee finds that several states have enacted similar measures to forestall suits claiming failure of a party to keep an oral promise to lend money or extend credit.

Your Committee believes that this bill will add certainty in deciding when the borrower can consider the lender committed. This bill makes it clear that the commitment is made when a letter of commitment is signed.

Your Committee wishes to emphasize that there is nothing in this bill which will prevent a successful action against a lender that commits fraud. Traditional common law remedies will continue to apply.

Your Committee has amended this bill by clarifying that "financial institutions" includes both state and federally chartered institutions to comport with the intent to include all financial institutions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1660, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1660, H.D. 1, S.D. 2, C.D. 1.

Representatives Hirono, Hagino, Hiraki, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Aki, Blair and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 18 on H.B. No. 3380**

The purpose of this bill is to clarify that when the board of directors of an association of apartment owners borrows money on behalf of the association, the owners owing fifty percent of common interest and units give written consent; mandate a developer to include among the list of items required to be disclosed, a statement of the availability and number of wheelchair accessible residential units in the project; and mandate that the real estate commission provide an annual report to the legislature.

Your Committee believes that to increase the public's knowledge of the availability of accessible units would create more awareness on the part of developers and would also allow persons with disabilities to become homeowners. Therefore, your Committee has amended this bill to more accurately reflect the language which describes the design requirements mandated by the federal Fair Housing Act Amendments of 1988 for new construction of multi-family dwellings.

Before the board of directors of an association may borrow money, current statutory language requires the written consent of owners representing fifty percent of the common interest and fifty percent of the "owners." The use of the term "units" in this bill, rather than "owner," allows an authorized co-owner, including either spouse in a tenancy-by-the-entirety, to vote for that unit. It avoids the need for a vote by each "owner." Your Committee recognizes and intends that each condominium apartment should be given equal weight on the issue of borrowing of money, as all owners will bear the repayment responsibility. Thus, the owner of a small studio, who does not want the association to borrow, will be given equal weight with the owner of a larger three bedroom unit who supports the associations's borrowing. The "common interest" requirement is retained to give the owners of larger units an enhanced ability to prevent, but not endorse, borrowing. This safeguard was desired. Your committee has amended this bill by replacing the word "unit" with "apartment" since "apartment" is defined in this statute.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3380, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3380, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Hayes, Hiraki, Shon and Anderson,  
Managers on the part of the House.

Senators Blair, Cobb and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 19 on H.B. No. 2295**

The purpose of this bill is to require charitable organizations, professional fund-raising counsel, and professional solicitors to file an annual report with the State and to require the Director of Commerce and Consumer Affairs to publish an annual listing of information relating to charitable organizations, professional fund-raising counsel, and professional solicitors.

Your Committee believes that the enforcement remedies regarding the fund-raising activities of professional fund-raising counsels and professional solicitors who assist charitable organizations with their fund-raising need to be strengthened. The bill is designed to provide greater information to the public as to the activities of professional fund-raising counsel and professional solicitors in order to allow consumers to make informed choices regarding their decision to donate money to worthy causes as well as to prevent fraud.

The House exempted flat fee agreements from the bill's provisions while the Senate deleted this exemption. The House and Senate positions reflect legitimate concerns regarding the problems and abuses to be addressed and the appropriate scope of regulation. Your Committee believes these issues require further consideration and review before statutory implementation. Therefore, your Committee has eliminated the bill's provisions relating to the filing of agreements pending further review.

This bill was also amended to require that the financial statement required to be filed, be certified. While this certification requirement may result in additional expenses for a small charitable organization, your Committee believes that a certified financial statement is necessary in order to investigate wrongdoing by a fund-raising organization. However, your Committee had amended this bill to also stipulate that the certified financial statement would only be requested when there were reasonable grounds to believe that a violation has taken place.

Your Committee has also restored the "demand" language in Section 6 of the bill in order to track the "demand" wording already used in the existing statute. Technical, nonsubstantive amendments have been made for the purposes of style and clarity.

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

Representatives Hirono, Bellinger, Hiraki, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Blair, Cobb, A. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 20 on H.B. No. 3149**

The purpose of this measure is to amend the definition of development as stated in Chapter 205A-22, Hawaii Revised Statutes (HRS), relating to Special Management Areas of the coastal zone.

The Legislature has found that added control of development within the area along the shoreline is necessary to avoid the permanent loss of valuable resources and the foreclosure of management options. This added control is also necessary to ensure that adequate access, by dedication or other means, to public owned or used beaches, recreation areas, and natural reserves is provided. Furthermore, the Legislature previously determined that it is the state policy to preserve, protect, and where possible, to restore the natural resources of the coastal zone of Hawaii.

Your Committee has therefore concurred that it is necessary to clarify that development includes nonstructural commercial uses, unless they are specifically exempted in ordinances adopted by the legislative body of the respective county. Your Committee has further determined that nonstructural public recreational uses which do not constitute commercial activity and nonstructural uses in public harbors designated in rules adopted under chapter 266, HRS, are not development.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3149, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3149, H.D. 1, S.D. 1, C.D. 1.

Representatives Andrews, Bunda, Hagino, Kanoho, Stegmaier and O'Kieffe,  
Managers on the part of the House.

Senators Matsuura, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 21 on H.B. No. 3299**

The purpose of this measure is to promote energy conservation through the amendment of the energy objectives of the state plan to include reference to demand-side management programs, and to provide for increased income tax credits for solar energy systems and ice storage systems. In addition, the statutory provisions concerning energy credits have been amended to provide for monetary caps on the income tax credit allowed for the installation of solar energy systems and heat pumps on residential, single, and multiple family buildings.

Throughout the legislative session, this bill has been intertwined with a bill to provide for the institution of demand-side management programs through the public utilities commission. The bill to provide for these programs was held in committee and instead the provisions of this bill amend the energy objectives of the state plan to provide for demand-side management programs. The public utilities commission has initiated a docket to investigate integrated resources planning, a component of which is demand-side management. Integrated resources planning requires the assessment of all known resources for the production of energy against an array of broadly-defined cost benefit considerations. Demand-side activities, a component of integrated resource planning, involve actions on the customer side of the use of energy and are deliberate direct or indirect interventions by a utility with the consumer to change the configuration or magnitude of the utility systems load shape. Many of these activities consist of conservation programs such as subsidized loans and rebates, load management programs, and innovative utility rate design. Voluntary conservation measures, such as the purchase of energy-efficient appliances without direct influences by the utility, are not considered demand-side programs.

Utilities across the nation are now using demand-side management programs and some have been doing so for ten years. Thirty-eight states have mandated load management programs; thirty-two states have mandated conservation programs; and thirty-five states use rates to promote demand-side activities. It is the belief of your Committee that the Public Utilities Commission, through the integrated resources planning docket, will provide the necessary thrust to bring Hawaii up-to-date in this area. To appropriately serve an island state, the Public Utilities Commission and the utility companies must create cost-effective demand-side management programs which will reduce the continued expansion of generators and the reliance on fossil fuels. We must have energy security for the State of Hawaii.

In order to assist the Public Utilities Commission in reaching an integrated resources plan with a strong demand-side component, the Department of Business and Economic Development is requested to assist the Public Utilities Commission in securing the use of oil surplus monies (oil over charge) to facilitate the development of an integrated resources plan for each utility and to ensure a strong demand-side management component in the plan.

As part of the thrust for energy conservation in this measure, there are provisions which increase the income tax credits for solar energy systems and ice storage systems. In addition, this measure places monetary caps on the amount of the credit which may be claimed for solar energy systems and heat pumps. Upon reviewing this bill, your Committee found that the income tax credits for the installation of solar energy systems for industrial and commercial buildings have been deleted from the statutory provision; accordingly, your Committee has restored those provisions. Because the credits and the definitions have been amended, your Committee has bifurcated the provisions of the statute in order to cleanly separate the old provisions from the new provisions. The amount of the monetary tax credit caps (caps) in the bill as received by your Committee were based on earlier drafts with higher income tax credit percentages. Your Committee has reduced these caps to properly reflect the income tax credit percentages in this current drafting. Your Committee has added a provision to clarify the method of determining the application of the caps to a multi-unit building by floor area. The provisions which did not allow developers to claim the credits have been deleted, as they related to prior versions of the bill which would have required the installation of certain energy devices.

Existing energy credit law provides for an increase in the credits to 20 percent after December 31, 1989. This bill however, will change the amount of the credits to 35 percent for solar energy systems and 50 percent for ice storage systems. Therefore, your Committee has changed the existing law to reflect the 15 percent credit which is available after December 31, 1985, through December 31, 1989. The new provisions in Section 235-12 (b), Hawaii Revised Statutes, as amended by your Committee reflect the proper credit percentages.

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

Your Committee is of the opinion that with the increase in energy credits for nonfossil fuel systems and the general revision of the statutory provisions for energy credits coupled with the cost-effective demand-side energy programs expected from the Public Utilities Commission and the utilities of this State, Hawaii is on course for, if not energy independence, at least energy security and control of its energy destiny.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3299, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3299, H.D. 2, S.D. 2, C.D. 1.

Representatives Andrews, Souki, Fukunaga, Honda, Kanoho and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Matsuura and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 22 on H.B. No. 2294**

The purpose of this bill is to ensure that surcharges and credits on no-fault insurance are reasonable and that consumers are properly informed about them.

This bill allows rates for surcharges and credits to be deemed approved if the Insurance Commissioner does not object within sixty days of filing and mandates that prospective insureds be furnished with a written explanation of the purpose and rates for the surcharge or credit.

Your Committee believes that based on the assurance by the Insurance Division that each of these rate filings would be reviewed and objections sent to the insurer within the sixty-day period, if appropriate, a file and use, rather than prior approval, procedure for these surcharges and credits is appropriate.



Your Committee agrees that a written explanation of surcharges and credits should be provided to the prospective insured and has amended this bill by clarifying that the written explanation should describe the reason for the surcharge or credit and how the amount of the surcharge or credit is determined. This information, while general in nature, will serve notice to the prospective insured that the insurer utilizes surcharges or credits. It is hoped that the information provided will prompt prospective insureds to inquire about the actual amounts of the surcharges or credits, which vary greatly from insurer to insurer.

Rate filings filed with the Insurance Commissioner as of the effective date of this Act will be grandfathered. However, in light of the fact that the filings should be reviewed by the Insurance Commissioner, your Committee has amended this bill to allow one year for insurance companies to file their rates for surcharges and credits with the Insurance Commissioner. Your Committee notes that in order to allow the Insurance Commissioner time to examine the rates, insurance companies should not wait until the last possible time to file these rates.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2294, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2294, S.D. 1, C.D. 1.

Representatives Hirono, Hiraki, Okamura, Takamine and Cavasso,  
Managers on the part of the House.

Senators Blair, Cobb, Ikeda and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 23 on H.B. No. 2301**

The purpose of this bill is to provide for the election of the Board of Education members through a system of primary and general elections while retaining the nonpartisan character of these elections.

This bill will enable the public to make a more meaningful choice when electing candidates for the Board of Education by narrowing the list of candidates running for office, and providing the electorate with more time to become familiar with the qualifications and viewpoints of the candidates.

Your Committee on Conference has amended this bill by:

- (1) Inserting a purpose section which discusses certain legislative findings, and which was included in this measure as originally introduced; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2301, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2301, S.D. 1, C.D. 1.

Representatives Tam, Metcalf, Apo, Lee, Stegmaier and Hemmings,  
Managers on the part of the House.

Senators Menor, Levin, B. Kobayashi and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 24 on H.B. No. 2258**

The purpose of this bill is to create an office of the legislative analyst and a legislative commission on planning and fiscal policy within the Legislature.

Upon further consideration, your Committee has agreed to the intent of the House draft version of the bill, the purpose of which is to establish a joint legislative management committee.

As amended, this measure establishes a joint legislative management committee within the Legislature to establish general policy and to evaluate, supervise, and coordinate activities among the legislative support agencies.

The committee would consist of ten members: five representatives to be appointed by the Speaker of the House of Representatives, including the chairperson of the House Committee on Legislative Management and at least one minority member, and five senators to be appointed by the President of the Senate, including the chairperson of the Senate Committee on Legislative Management and at least one minority member.

The chairpersons of the House and Senate Committees on Legislative Management will serve as co-chairs of the joint legislative management committee.

Your Committee has also amended this measure to require the joint legislative management committee to report to the Legislature on its findings and recommendations on the feasibility of consolidating the SHADO and HO'IKE bill drafting and statutory retrieval systems.

In addition, the effective date of this measure has been changed to take effect upon approval.



Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2258, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2258, H.D. 2, S.D. 2, C.D. 1.

Representatives Fukunaga, Souki, Baker, Isbell, Okamura and Liu,  
Managers on the part of the House.

Senators Yamasaki, Aki, Hagino, A. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 25 on H.B. No. 1693**

The purpose of this bill is to clarify the power of the attorney general and the county prosecuting attorneys to issue investigative subpoenas and to compel the attendance of witnesses and the production of documents pertinent to their investigations.

Your Committee upon further consideration has amended this bill by:

- (1) Clarifying in SECTION 1, page 1, lines 1-2, that the purpose of this bill is to amend rather than repeal Section 28-2.5, Hawaii Revised Statutes; and
- (2) Deleting the word "employee" and replacing it with "police officer" in SECTION 1, page 3, line 5, of the bill.

Your Committee emphasizes that the courts shall use decisions under the Hawaii Rules of Civil Procedure and the Federal Rules of Civil Procedure for guidance in determining whether to compel obedience to a subpoena, in particular, Rule 45 - Subpoena, as applied in both Rules. Your Committee would also like to make clear that government agencies may only issue subpoenas to witnesses subject to the privileges enjoyed by all witnesses in this State, including those privileges enjoyed by witnesses as provided by rules of court.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1693, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1693, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hiraki, Hirono and Anderson,  
Managers on the part of the House.

Senators Menor, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 26 on H.B. No. 2202**

The purpose of this bill is to provide for the appointment of sixteen and seventeen year old precinct workers.

The Senate had earlier amended this bill on page 2, subsection 1, with new language establishing a maximum age for prospective precinct workers who were not registered voters.

Your Committee upon further consideration has amended this bill by:

- (1) Deleting the language establishing a maximum age for prospective precinct workers;
- (2) Adding the words "or otherwise qualified" in lieu of the words "are otherwise qualified and" on page 2, line 5, of the conference draft; and
- (3) Making several technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2202, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2202, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Bellinger, Oshiro and Anderson,  
Managers on the part of the House.

Senators Menor, Aki, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 27 on H.B. No. 2184**

The purpose of this bill is to prohibit gambling or the promotion of gambling aboard any ship which embarks and disembarks within the State.

Your Committee recognizes the House agreement to the Senate amending this bill by adding language excluding ships from this section which are traveling to and from foreign countries or to and from the mainland as well as technical, nonsubstantive changes. Your Committee upon further consideration has amended subsection (a) and made technical, nonsubstantive changes for the purposes of consistency and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2184, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2184, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hiraki, Hirono and Cavasso,  
Managers on the part of the House.

Senators Menor, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 28 on H.B. No. 2843**

The purpose of this bill is to allow a county clerk to remove a voter from the list of registered voters provided that the voter wishes to be removed from the list and the voter properly notifies the clerk pursuant to procedures established by the chief election officer.

The Senate had earlier amended this bill by making technical, nonsubstantive changes and adding new language in Section 2, page 2, subsection (c), stating that a person whose name is removed from the register will not be allowed to vote.

Your Committee upon further consideration has amended this bill by deleting the aforementioned new language, your Committee agreeing that the language is redundant to other language in the bill, and making technical nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2843, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2843, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hiraki, Shon and Anderson,  
Managers on the part of the House.

Senators Menor, Levin, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 29 on H.B. No. 2844**

The purpose of this bill is to expressly provide that one of the responsibilities of the chief election officer is to educate the public regarding voter registration and voter information.

The Senate earlier amended this bill making nonsubstantive stylistic changes.

Your Committee upon further consideration has amended this bill by making technical nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2844, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2844, S.D. 1, C.D. 1.

Representatives Metcalf, Hiraki, Shon and Takamine,  
Managers on the part of the House.

Senators Menor, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 30 on H.B. No. 2112**

The purpose of this bill is to expand the nuisance law to permit the closure of premises where drug offenses repeatedly occur.

Your Committee after further consideration has amended this bill by:

- (1) Specifically stating that parts I, II, and IV, except offenses under part IV which do not involve the distribution of drugs, are subject to the application of section 712-1270, H.R.S.; and
- (2) Making technical, nonsubstantive changes for the purposes of consistency and clarity.

It is your Committee's intent to make it clear that innocent landlords whose property may be inadvertently involved in drug offenses are to be excluded from this section's application.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2112, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2112, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Hagino, Hiraki and Anderson,  
Managers on the part of the House.

Senators Menor, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 31 on H.B. No. 3183**

The purpose of this bill is to amend statutes concerning the state flag of Hawaii and the state song, Hawai'i Pono'i.

The Senate had earlier amended this bill by mandating that the colors comprising the Hawaiian flag be set to specified numerical listings of colors of the Standard Color Card of America. Your Committee, however, is unaware at this time of how prevalent is the use of this Standard by flag manufacturing companies and whether or not Hawaiian flags currently in use fall within the proposed specified categories.

Your Committee, therefore, upon further consideration, has amended this bill by deleting references to such numerical listing of colors and making a few technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3183, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3183, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Hiraki, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Aki, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 32 on H.B. No. 3265**

The purpose of this bill is to require the Department of Corrections to notify a victim or the surviving immediate family of a victim who have requested notification in writing that the prisoner who had committed the offense against the victim has escaped.

Both House and Senate versions of this bill state that the Department of Corrections shall give notice of the escape by a prisoner:

- (1) immediately;
- (2) by the most expedient and reasonable means available; and
- (3) upon submission of a written request by each victim or the surviving immediate family.

The Senate also amended this bill by mandating that the Department of Corrections shall issue notification through the victim witness assistance program in the county where the crime was committed.

Your Committee upon further consideration has amended Section 1, page 1, line 16, to read "the department of public safety" instead of "the department of corrections" is the department responsible for issuing the notice of escape of a prisoner to each victim or a surviving immediate family member through the victim witness assistance program of each county.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3265, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3265, S.D. 1, C.D. 1.

Representatives Metcalf, Andrews, Cachola, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Blair, Mizuguchi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 33 on H.B. No. 3428**

The purpose of this bill is to provide safeguards against misidentification of judgment debtors by requiring additional identification information in the filing, registration, or recordation of judgments with the Bureau of Conveyances and the Land Court.

Your Committee has amended H.B. No. 3428, S.D. 1, by making technical amendments to Section 1, page 2, lines 1 to 10, and Section 4, page 6, lines 10 to 17, for purposes of style, clarity and consistency. Your Committee notes that the terms "registration", "recordation" and "filing" appear to be used interchangeably in the various statutes and the use of these terms in this bill is intended to be consistent with existing laws.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3428, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3428, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hiraki, Peters and Anderson,

Managers on the part of the House.

Senators Menor, Blair, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 34 on H.B. No. 2984**

The purpose of this bill is to resolve a long-standing occupancy problem involving four families who reside on parcel 8 and claim to be direct descendents of persons who resided on this land prior to 1934 (before the lands were added to the inventory of Hawaiian home lands and then subsequently removed). The bill would authorize each of the four families to elect to have the lands under their homes transferred to the Department of Hawaiian Home Lands, in which case they would be entitled to receive homestead leases, or to elect to have the lands under their homes remain with the Department of Land and Natural Resources, in which case they would be entitled to receive long-term residential leases, not exceeding sixty-five years.

Your Committee upon further consideration amended H.B. No. 2984, H.D. 1, S.D. 1 by deleting the twelve thousand square foot limit on the leases to be granted the four families and inserted in lieu thereof, language requiring the Department of Land and Natural Resources to determine appropriate lot sizes considering applicable guidelines and rules for residential leases and the character of the surrounding neighborhood.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2984, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2984, H.D. 1, S.D. 1, C.D. 1.

Representatives Hagino, Fukunaga, Isbell, Stegmaier and O'Kieffe,  
Managers on the part of the House.

Senators Crozier, Blair and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 35 on H.B. No. 2546**

The purpose of this bill is to add a new part to Chapter 329, HRS, relating to precursors to the manufacture of methamphetamine.

The Senate had earlier amended this bill by:

- (1) Renaming the the new part of Chapter 329 in Section 1;
- (2) Adding a new section entitled "Protection of records; divulging confidential information prohibited; penalties" to provide for the confidentiality of all records and information and the criminal sanctions for a violation thereof;
- (3) Adding two new sections entitled "Subpoena powers" and "Forfeiture";
- (4) Adding a new section requiring manufacturers, wholesalers, retailers or other persons to obtain permits prior to dealing in any listed substance;
- (5) Adding a new section requiring theft, loss and discrepancy reports;
- (6) Adding penalty provisions for failure to submit required reports, for selling, transferring or otherwise furnishing any listed substance knowing that the substance will be used to manufacture methamphetamine, or for receiving any listed substance without the required permit; and
- (7) Amending the effective date to allow for a transition period.

Your Committee after further consideration has made the following amendments to H.B. No. 2546, H.D. 1, S.D. 1:

- (1) Deleting item (18) from §329- Substances subject to reporting, which stated "Any of the substances listed by the department of public safety in rules adopted pursuant to chapter 91"; and
- (2) Deleting a proposed section in Section 1, 329- Adoption of rules, which allowed the department of safety to adopt rules to allow the department to add or delete substances from section 329-

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2546, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2546, H.D. 1, S.D. 1, C.D. 1.

Representatives Arakaki, Metcalf, Amaral, Peters, Shon and Cavasso,  
Managers on the part of the House.

Senators Levin, Menor and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 36 on H.B. No. 403**

Your Committee on Conference has amended this bill by changing the amount by which the Comptroller may compromise or settle a tort claim not within the purview of Section 41D-8, Hawaii Revised Statutes, from \$25,000 to \$10,000 and by requiring the Comptroller to prepare a report of all claims arbitrated, compromised, or settled for \$10,000 or less, instead of \$25,000 or less. The purpose of this amendment is to correct a clerical error in the original conference draft.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 403, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 403, H.D. 1, S.D. 1, C.D. 2.

Representatives Metcalf, M. Ige, Bellinger, Chang, Leong, Oshiro and Anderson,  
Managers on the part of the House.

Senators Menor, Blair, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 37 on H.B. No. 2967**

The purpose of this bill is to clarify the scope of the functions and authority of the Department of Public Safety.

In recognition that the incorporation of correctional and state law enforcement functions into the new department is a complex management responsibility, your Committee finds that the new department would benefit from the expertise of experienced personnel from other departments to facilitate a smooth transition during the start-up period.

However, your Committee finds that this bill, as received, may interfere with the collective bargaining process. Accordingly, your Committee has amended this bill to protect the integrity of the collective bargaining process, at the same time providing safeguards to both the new department and the employees temporarily assigned to the department.

In addition, your Committee has amended this bill by adding a new section requiring the Department of Public Safety to submit findings and recommendations to the Legislature regarding narcotics enforcement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2967, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2967, H.D. 1, S.D. 2, C.D. 1.

Representatives Takamine, Metcalf, Bybee, Horita, Yonamine and Anderson,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Menor, Mizuguchi and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 38 on H.B. No. 2204**

The purpose of this bill is to raise the penalty for voter fraud to a class C felony.

The Senate earlier amended this bill by making interpretive and technical changes.

Your Committee upon further consideration has made the following amendments to H.B. No. 2204, H.D. 1, S.D. 1:

- (1) Amended the title of §19- Registration fraud, to read as Voter fraud;
- (2) Added language to Section 2, §19- Voter fraud, establishing that a person who knowingly falsely swears or affirms to the truth of the allegations by self-subscribing oath in the affidavit on an application for voter registration, as prescribed in section 11-15, HRS, is guilty of a class C felony; and
- (3) Made a few, technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2204, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2204, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Bellinger, Oshiro and Anderson,  
Managers on the part of the House.

Senators Menor, B. Kobayashi, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 39 on H.B. No. 3176**

The purpose of this bill, as amended by your Committee, is to regulate activity desks, to require payment within forty-five days of invoice and to provide other remedies to activity providers.

Your Committee recognizes the concerns raised by activity providers regarding the practice of some activity desks to "sticker-over" an activity provider's telephone number and views this practice as deceptive and not in the best interest of consumers. This bill thus prohibits activity desks from "stickering over" an activity provider's name, address, or telephone number in any card or brochure. Your Committee understands that activity desks usually "close the sale" at the time the consumer inquires about the different activities available. Therefore, having the name of the activity provider on the brochure given to the consumer by the activity desk should not result in the activity desk "losing" many sales because the consumer later decides to book the activity directly with the provider.

Your Committee also recognizes the problems experienced by activity providers who do not get paid on time by activity desks. Segregation of funds by activity desks was an option to assure payments to activity providers since some activity desk operators are using the funds collected for the activity provider to pay for the activity desk operating costs rather than paying the activity provider in a timely manner. Although some activity desks and providers have contracts with payment due provisions, many do not. To the extent the relationship between the activity provider and desk is unequal, where activity desks can "blackball" providers who do not acquiesce to the desk's terms or otherwise deal unfairly with the providers, legislative action to achieve a more equal bargaining position between the parties is warranted. Therefore, your Committee has amended this bill to require payment of monies owed to activity providers within forty-five days of invoice.

In addition, your Committee has further amended this bill to provide remedies when violations occur.

Your Committee has also amended this bill by adding a provision that this chapter will be repealed on June 30, 1991 in order to afford the legislative auditor time to address the need to regulate activity desks as part of their Sunset review of the chapter on travel agencies.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3176, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3176, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Amaral, Hagino, Hiraki and Anderson,  
Managers on the part of the House.

Senators Blair, Cobb, Hagino and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 40 on H.B. No. 240**

The purpose of this bill is to provide a certain and expeditious means for resolving a tie in the number of votes cast for two or more candidates in an election, without relying upon a run-off election with its inherent expense and delay.

The Senate had earlier amended this bill by deleting the election point ratio formula explained in the House version and adding language which stated rules to implement a run-off election procedure.

After further consideration your Committee has deleted the Senate's amendment and reinserted the House language concerning the election point ratio formula.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 240, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 240, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Andrews, Yoshimura, Hagino and Anderson,  
Managers on the part of the House.

Senators Menor, Holt, A. Kobayashi and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 41 on H.B. No. 2207**

The purpose of this bill is to expressly provide for the ability of the Chief Election Officer or Clerk to investigate and determine objections to a candidate's nomination papers beyond the current 48-hour time limit.

The Senate had earlier amended this bill by:

- (1) Deleting the provisions of H.B. No. 2207, H.D. 1, relating to the investigating and determining of objections to a candidate's nomination papers by the Chief Election Officer or County Clerk beyond the current 48-hour limit;
- (2) Incorporating the provisions of S.B. No. 2952, S.D. 1, relating to the extending of the amount of time in which objections to the validity of a candidate's nomination papers may be made by the Chief Election Officer or County Clerk and providing for the substitution of the Attorney General in place of the Lieutenant Governor to hear such objections if they involve a candidate to the Lieutenant Governor's Office; and

- (3) Making technical, nonsubstantive changes.

Your Committee upon further consideration has made the following amendments to H.B. No. 2207 H.D. 1, S.D. 1:

- (1) Adding new language to SECTION 1 that amends Section 12-8, Hawaii Revised Statutes, nomination papers, stating that the Chief Election Officer, Clerk, or a registered voter has until 4:30 p.m. of the thirtieth day or the next earliest working day prior to a special or primary election to file an objection to a nomination paper;
- (2) Adding new language stating that the Chief Election Officer or Clerk shall render a preliminary decision not later than five working days after the objection is filed;
- (3) Adding new language stating that the Attorney General, when sitting in place of the Lieutenant Governor, shall render a decision not later than five working days after the objection to nomination papers filed by a candidate for the Office of the Lieutenant Governor is filed; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2207, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2207, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Bellinger and Oshiro,  
Managers on the part of the House.

Senators Menor, Levin, B. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 42 on H.B. No. 2052**

The purpose of this bill is to conform reapportionment law by (1) adding the phrase "whenever possible" to the division of basic island units into districts; and (2) substituting "total population" for "registered voters" in determining congressional districts.

Your Committee has amended this bill by expanding the proposed language "whenever possible" to "whenever possible, to the maximum extent possible" in regards to reapportioning the members of each house among basic island units. This language will conform Section 25-2, HRS, with proposed language in Article IV of the Constitution. Your Committee believes that this language conveys the Legislature's intent and interest on conveying to the reapportionment commission the importance the Legislature places on reapportionment and the representation made by elected officials of their respective communities.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2052, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2052, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hiraki, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Menor, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 43 on H.B. No. 2183**

The purpose of this bill is to extend the sunset provision of Chapter 712A, the Hawaii Criminal Omnibus Forfeiture Act, to 1993.

The Senate had earlier amended this bill by:

- (1) Deleting the sunset provision and permanently enacting Chapter 712A;
- (2) Adding a new subsection (3) to Section 712A-16, Hawaii Revised Statutes (HRS), establishing criteria the Attorney General must use when distributing forfeiture proceeds;
- (3) Deleting language mandating that specific percentages of the forfeiture proceeds be given to involved organizations and the forfeiture fund;
- (4) Stating that the enactment date of this bill would take effect upon its approval rather than June 30, 1990;
- (5) Deleting current language stating that the Attorney General shall report annually to the legislature an accounting of the forfeiture fund, all forfeited properties, and the sales proceeds thereof;
- (6) Adding language stating that the Attorney General shall provide to the legislature twenty days prior to the convening of each regular session a report on the use of the Hawaii Omnibus Criminal Forfeiture Act;
- (7) Adding language stating the purpose of and criteria to be included in the Attorney General's report; and



- (8) Making technical, nonsubstantive changes for clarity and consistency purposes.

Your Committee upon further consideration has made the following amendments to H.B. No. 2183, H.D. 1, S.D. 1:

- (1) Deleting the section permanently enacting Chapter 712A, HRS;
- (2) Extending the sunset provision until July 1, 1993;
- (3) Deleting the language adding a new subsection (3) to Section 712A-16, HRS, regarding the criteria the Attorney General is to use when distributing proceeds;;
- (4) Deleting the proposed Senate amendments regarding the disposition of property forfeited found in Section 712A-16, HRS, subsections (1) through (5);
- (5) Amending the enactment date of this bill stating that this bill would take effect on June 30, 1990, rather than on approval;
- (6) Reinserting language that mandates specific percentages of forfeiture proceeds be given to involved organizations and the forfeiture fund; and
- (7) Making technical, nonsubstantive changes for consistency purposes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2183, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2183, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Bellinger, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Menor, Blair, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 44 on H.B. No. 3410**

The purpose of this bill is to: (1) limit access to voter registration information for election or governmental purposes only; and (2) provide special protection to law enforcement personnel who show good cause that a life threatening circumstance exists to the person or a member of the person's household.

Your Committee finds that voter registration affidavits are maintained by the County Clerks and contain information on voters, including residence address, date of birth and social security number. Voter lists compiled from information disclosed in these affidavits are maintained by the County Clerks and the Lieutenant Governor's Office. Requests are frequently made for access to those lists by businesses with no election or government purpose.

Your Committee believes that although an individual may be required to disclose certain information in order to safeguard the integrity of the vote, the individual's privacy interest in such information should be protected against use of the information for other than election or government purposes. Your Committee feels that the best way to balance the interests of the individual, the public, and the government, is to limit the public's access to information disclosed for voter registration purposes for government and election purposes only.

Your Committee further finds that law enforcement officials are justifiably concerned that the general availability of their residence addresses to the public jeopardizes the health and safety of their families and themselves. Your Committee believes there is a present and growing need to provide some measure of protection to law enforcement persons whose safety may be threatened by persons obtaining home addresses from voter registration records.

Your Committee has amended this bill as follows:

1. Removed "educational" and "scientific" purposes from the list of allowable uses of voter registration information. Your Committee is concerned that these purposes may be construed too broadly, thereby causing the exceptions to swallow the rule.
2. Provided in Section 2 of the bill that the clerks shall establish procedures to protect the voter registration information of law enforcement persons.
3. Clarified in Section 3 that the applicant shall agree in writing that the information will be used for election or government purposes only.
4. Deleted the definitions of "candidate" and "committee" in Section 4 of the bill because these definitions are provided in H.R.S. Section 11-191.
5. Made technical changes that do not affect the substance of the bill.

Your Committee intends that this bill, as amended, includes the following parties and uses under election and government purposes:

1. Political parties and Political Action Committees who are properly registered with the Campaign Spending Commission;
2. Special interest campaigns conducted on issues relating to initiative, referendum, and recall;
3. Incumbents communicating with constituents;
4. Electioneering by special interest groups to urge people to register to vote or to encourage people to vote in particular election contests or on particular issues; and
5. Federal, state, and county agencies conducting legitimate government activities.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3410, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3410, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hiraki, Shon and Anderson,  
Managers on the part of the House.

Senators Menor, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 45 on H.B. No. 2817**

The purpose of this bill is to provide unambiguous authority for the court to order reimbursement for support, maintenance, education and funeral expenses expended for the child prior to the entry of a paternity judgment.

The Senate had earlier amended the enactment section of this bill stating that this bill would take effect on July 1, 1990, and that the substantive sections of this bill would only apply to actions which have commenced on or after that date.

Your Committee has amended this bill by deleting the Senate amendment and adding language stating that this bill would take effect upon its approval. Your Committee is concerned that if the Senate version is followed there will exist a question as to whether a new right was created and whether no such right existed for cases which arose before July 1, 1990.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2817, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2817, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Oshiro, Shon and Anderson,  
Managers on the part of the House.

Senators Menor, Aki, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 46 on H.B. No. 2876**

The purposes of this bill are to make additions and corrections to the controlled substance schedules which reflect additions made to federal law and place already scheduled drugs in the sections which are most appropriate to their chemical properties.

The Senate had earlier amended this bill by:

- (1) Adding language making theft of a controlled substance by a practitioner, registrant, or an employee of a practitioner or registrant a class-C felony;
- (2) Adding language which makes obtaining a legal prescription for a controlled substance from one or more practitioners for other than legitimate medical purposes by intentionally or knowingly misrepresenting or withholding information regarding recent use or acquisition of controlled substances a class-C felony; and
- (3) Adding language to provide uniform state legislation in the regulation of precursor chemicals used in illicit production of controlled substances.

Your Committee after further consideration has amended H.B. No. 2876, H.D. 1, S.D. 1, by:

- (a) Deleting the following substances from Section 2, §329- Substances subject to reporting:
  - (1) Phenyl-2-propanone;
  - (2) Methylamine;
  - (10) Ephedrine;
  - (11) Pseudoephedrine;
  - (12) Norpseudoephedrine;
  - (13) Phenylpropanolamine;

- (19) Hydriodic acid;
- (20) Benzyl cyanide;
- (22) N-methylephedrine;
- (23) N-ethylpseudoephedrine;
- (24) N-methylephedrine;
- (25) Chloroephedrine; and
- (26) Chloropseudoephedrine.

Your Committee deleted these substances as they are listed as being subject to reporting in H.B. No. 2546, H.D. 1, S.D. 1, C.D. 1, Relating to Methamphetamine. Your Committee also renumbered the remaining substances in this section consecutively;

- (b) Deleting a proposed new section in Section 2, §329- Adoption of rules, which stated that "The department of public safety may adopt rules in accordance with chapter 91 that add substances to section 329- if the substance is a precursor to a controlled substance and delete substances from section 329- ;
- (c) Deleting language in Section 5 stating that the acquiring or obtaining possession of a controlled substance by theft as a practitioner, registrant, or employee of a practitioner or registrant is a class-C felony;
- (d) Deleting language stating that the obtaining of a legal prescription for a controlled substance from one or more practitioners for other than legitimate medical purposes by intentionally or knowingly misrepresenting or withholding information regarding recent use or acquisition of controlled substances is a class-C felony; and
- (c) Renumbering consecutively the remaining sections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2876, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2876, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Cachola, Okamura, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Levin, B. Kobayashi and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 47 on H.B. No. 256**

The purpose of this bill is to amend Section 633-27, Hawaii Revised Statutes, by providing that no case shall be removed from the small claims division of the District Court unless the removal is agreed to by the plaintiff.

Your Committee received this bill after it was amended by both the House and the Senate.

Presently, under Section 633-27(a), Hawaii Revised Statutes, the parties to a small claims case have the right to remove certain cases from the small claims division of the district court, as provided by rule of the court. Your Committee understands this bill to amend Section 633-27(a), HRS, to require the plaintiff's consent to remove any case from the small claims division to the regular division of the district court.

Your Committee does not find any authority which expressly requires that all litigants have a right to present their claims or defenses in a court which is bound by all the rules of evidence. Your Committee does find, however, that this bill is silent when concerning its effect on a small claims defendant's right to a jury trial. Therefore, it is your Committee's finding that this bill shall not be construed to restrict that right. Your Committee finds that a defendant still has the option of filing a demand for jury trial pursuant to Section 633-31, HRS, and states categorically that it is not the Legislature's intent to impliedly repeal or in any other way affect the provisions of that section.

Your Committee recognizes that this bill is also silent concerning the effect this bill will have on another statutory provision which governs the small claims division's jurisdiction over counterclaims which exceed the jurisdictional limit of the small claims division. Section 633-30, HRS, provides that when the limit of the district court as provided in Section 633-27 is exceeded in a counterclaim, but within the jurisdictional limit of the court as provided for in Section 604-5, the action shall remain in the small claims division and tried therein. Your Committee expressly states that it is not the Legislature's intent to impliedly repeal or in any other way to affect the provisions of Section 633-30, HRS.

Your Committee has amended this bill with appropriate language to state the position of the Legislature on this bill's effect upon Sections 633-31 and 633-30. Your Committee has also made technical nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 256, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 256, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Hayes, Hiraki, Oshiro and Anderson,  
Managers on the part of the House.

Senators Menor, Levin, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 48 on H.B. No. 332**

The purpose of this bill is to impose a \$10 motor vehicle registration transfer fee payable in the county where the vehicle is moved.

The bill also deletes the exception for registration in the county in which the vehicle is located for motor vehicles temporarily transferred to another county for three months or less, and requires annual registration emblems to be used only on vehicles registered in their respective counties.

Presently, transfer fees are not imposed, and registration for vehicles transferred to another county are valid until their expiration.

Your Committee has adopted the recommendation of the City and County of Honolulu and has amended the bill to require payment of the transfer fee at the time the owner applies for registration in the county in which the vehicle is physically located. Your Committee has also deleted the proposed amendment requiring the use of annual registration emblems only on vehicles registered in the respective counties.

Your Committee on Conference concurs with the intent and purpose of H.B. No. 332, H.D. 1, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.B. No. 332, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Hiraki, Oshiro, Takamine and Anderson,  
Managers on the part of the House.

Senators Fernandes Salling, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 49 on H.B. No. 2103**

The purpose of this bill is to appropriate funds to implement the United States Postal Service's zip plus four program in certain state departments.

A study conducted by the Department of Accounting and General Services indicated that the State will realize a substantial amount of savings if the State used zip plus four in their mailings.

Your Committee has agreed to appropriate the sum of \$60,000 to implement the zip plus four program in sorting and handling business mail from the Fiscal Benefit Office of the Department of Human Services, the Preaudit Office of the Department of Accounting and General Services, the Tax Service and Processing Division of the Department of Taxation, and the Administrative Services Office of the Department of Education.

In addition, your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2103, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2103, H.D. 1, S.D. 1, C.D. 1.

Representatives Fukunaga, M. Ige and Liu,  
Managers on the part of the House.

Senators Yamasaki, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 50 on H.B. No. 2299**

The purpose of this bill is to establish a statewide pilot after-school program in the public schools to provide affordable and quality after-school supervision for students enrolled in kindergarten through grade six.

Your Committee on Conference has amended this bill by:

- (1) Amending Section 1 by inserting a list of objectives for the after-school program;
- (2) Adding the word "appropriate" on page 3, line 8 and deleting the phrase "for child care" on page 3, line 9;
- (3) Inserting the sum and percentage that the appropriation for this bill will exceed the State general fund expenditure ceiling;
- (4) Amending Section 10 to encourage the pilot A+ program to make optimum use of the educational facilities and resources that are available at the sites and are not in conflict with the goals and objectives of the Department of Education's regular education and after-school instructional programs as well as inserting language prohibiting the transfer of funds from other educational programs to the pilot A+ program;
- (5) Inserting a new section that requires the Board of Education to conduct public informational meetings before implementing any budget restrictions; and

- (6) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2299, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2299, H.D. 1, S.D. 2, C.D. 1.

Representatives Tam, Arakaki, Souki, Hirayama, Honda, Horita, Kawakami and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 51 on H.B. No. 3296**

The purpose of this bill is to enhance procedures relating to the proper care and protection of burial sites and the enforcement thereof.

Specifically, this bill accomplishes the following:

- (1) Creates five island burial councils within the Department of Land and Natural Resources to determine, among other things, whether preservation in place or relocation of previously identified Hawaiian burial sites is warranted;
- (2) Revises the process for handling the inadvertent discovery of burial sites to include island burial council input;
- (3) Increases the penalty for violation of Chapter 6E, Hawaii Revised Statutes;
- (4) Prohibits the sale of human skeletal remains or burial goods;
- (5) Requires a permit from the Department for the out-of-state transport of human skeletal remains or burial goods;
- (6) Provides a process by which island burial council determinations may be appealed to a panel consisting of three members of the Board of Land and Natural Resources and three island burial council chairpersons; and
- (7) Provides protection to all unmarked burial sites by requiring, in the event that a burial site is found to be other than Hawaiian, that the Department decide the proper treatment thereof in consultation with appropriate ethnic organizations and the affected property owner.

Your Committee has amended this bill as follows:

- (1) Inserted the word "remains" between the words "those" and "fabricated" on line 20, page 16 of the bill, as received, to clarify that it shall be unlawful for any person to remove goods or remains, except those remains fabricated into artifacts prehistorically without obtaining a permit from the Department of Land and Natural Resources;
- (2) Inserted a new SECTION 2 on line 12, page 2 of the bill, as received, declaring that the appropriation contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$100,000, or 0.0039 per cent and that such expenditure is necessary to serve the public interest;
- (3) Re-numbered the remaining Sections accordingly; and
- (4) Replaced reference to Section 14 on line 11, page 25 of the bill, as received, with Section 15.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3296, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3296, H.D. 2, S.D. 1, C.D. 1.

Representatives Hagino, Metcalf, Fukunaga, Apo, D. Ige, Isbell, Kanoho and Hemmings,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Solomon, Tungpalan and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 52 on H.B. No. 2208**

The purpose of this measure is to provide matching funds to be deposited into the discoveries and inventions revolving fund in order to allow the electric vehicle project to continue.

Your Committee has determined that electric vehicles represent a viable alternative to conventional automobiles, and as the technology advances may assist in reducing society's exclusive dependence on fossil fuel for ground transportation. The development of technology that lessens this dependency and fosters an alternative needs to be supported. The United States Department of Energy is interested in providing half of the expense of the first test G-Van, matching funds from the State will secure the federal funding.

Your Committee has amended this measure by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this measure exceeds the state's spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2208, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2208, H.D. 1, S.D. 1, C.D. 1.

Representatives Andrews, Taniguchi, Fukunaga, Bellinger, Hashimoto, Ihara, Kanoho and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Solomon, Tungpalan and Koki,  
Members of the part of the Senate.

**Conf. Com. Rep. 53 on H.B. No. 3403**

The purpose of this measure is to institute a tree replanting on all suitable state controlled lands.

Your Committee has determined that while reducing the quantity of carbon dioxide emissions is the primary method of mitigating the threat of global warming, an aggressive tree replanting program represents a beneficial activity for the State. In addition to the increased production of oxygen and aesthetic enjoyment, an effective tree replanting program assists in the abatement of erosion and the subsequent acceleration of water runoff, and may even constitute a future source of biomass for supplemental, alternate, energy production.

Your Committee has amended this measure by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this measure exceeds the State's spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3403, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3403, H.D. 1, S.D. 1, C.D. 1.

Representatives Andrews, Souki, Hagino, Isbell, Kanoho and Hemmings,  
Managers on the part of the House.

Senators Yamasaki, Crozier, A. Kobayashi, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 54 on H.B. No. 2458**

The purpose of this bill is to have the Housing Finance and Development Corporation conduct a study of existing housing trust fund programs in other jurisdictions, and develop guidelines and propose legislation for the establishment and operation of a rental housing trust fund in the State of Hawaii to assist low and very low income families.

Your Committee has amended the bill as follows:

- (1) Appropriated \$100,000 instead of \$1 for the proposed study;
- (2) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2458, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2458, H.D. 2, S.D. 2, C.D. 1.

Representatives Hayes, Souki, Amaral, Kawakami, Leong and Liu,  
Managers on the part of the House.

Senators Yamasaki, Crozier, Fernandes Salling, Solomon and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 55 on H.B. No. 3299**

The purpose of this measure is to promote energy conservation through the amendment of the energy objectives of the state plan to include reference to demand-side management programs, and to provide for increased income tax credits for solar energy systems and ice storage systems. In addition, the statutory provisions concerning energy credits have been amended to provide for monetary caps on the income tax credit allowed for the installation of solar energy systems and heat pumps on residential, single, and multiple family buildings.



Throughout the legislative session, this bill has been intertwined with a bill to provide for the institution of demand-side management programs through the public utilities commission. The bill to provide for these programs was held in committee and instead the provisions of this bill amend the energy objectives of the state plan to provide for demand-side management programs. The public utilities commission has initiated a docket to investigate integrated resources planning, a component of which is demand-side management. Integrated resources planning requires the assessment of all known resources for the production of energy against an array of broadly-defined cost benefit considerations. Demand-side activities, a component of integrated resource planning, involve actions on the customer side of the use of energy and are deliberate direct or indirect interventions by a utility with the consumer to change the configuration or magnitude of the utility systems load shape. Many of these activities consist of conservation programs such as subsidized loans and rebates, load management programs, and innovative utility rate design. Voluntary conservation measures, such as the purchase of energy-efficient appliances without direct influences by the utility, are not considered demand-side programs.

Utilities across the nation are now using demand-side management programs and some have been doing so for ten years. Thirty-eight states have mandated load management programs; thirty-two states have mandated conservation programs; and thirty-five states use rates to promote demand-side activities. It is the belief of your Committee that the Public Utilities Commission, through the integrated resources planning docket, will provide the necessary thrust to bring Hawaii up-to-date in this area. To appropriately serve an island state, the Public Utilities Commission and the utility companies must create cost-effective demand-side management programs which will reduce the continued expansion of generators and the reliance on fossil fuels. We must have energy security for the State of Hawaii.

In order to assist the Public Utilities Commission in reaching an integrated resources plan with a strong demand-side component, the Department of Business and Economic Development is requested to assist the Public Utilities Commission in securing the use of oil surplus monies (oil over charge) to facilitate the development of an integrated resources plan for each utility and to ensure a strong demand-side management component in the plan.

As part of the thrust for energy conservation in this measure, there are provisions which increase the income tax credits for solar energy systems and ice storage systems. In addition, this measure places monetary caps on the amount of the credit which may be claimed for solar energy systems and heat pumps. Upon reviewing this bill, your Committee found that the income tax credits for the installation of solar energy systems for industrial and commercial buildings have been deleted from the statutory provision; accordingly, your Committee has restored those provisions. Because the credits and the definitions have been amended, your Committee has bifurcated the provisions of the statute in order to cleanly separate the old provisions from the new provisions. The amount of the monetary tax credit caps (caps) in the bill as received by your Committee were based on earlier drafts with higher income tax credit percentages. Your Committee has reduced these caps to properly reflect the income tax credit percentages in this current drafting. Your Committee has added a provision to clarify the method of determining the application of the caps to a multi-unit building by floor area. The provisions which did not allow developers to claim the credits have been deleted, as they related to prior versions of the bill which would have required the installation of certain energy devices.

Existing energy credit law provides for an increase in the credits to 20 percent after December 31, 1989. This bill however, will change the amount of the credits to 35 percent for solar energy systems and 50 percent for ice storage systems. Therefore, your Committee has changed the existing law to reflect the 15 percent credit which is available after December 31, 1985, through December 31, 1989. The new provisions in Section 235-12 (b), Hawaii Revised Statutes, as amended by your Committee reflect the proper credit percentages.

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

Your Committee is of the opinion that with the increase in energy credits for nonfossil fuel systems and the general revision of the statutory provisions for energy credits coupled with the cost-effective demand-side energy programs expected from the Public Utilities Commission and the utilities of this State, Hawaii is on course for, if not energy independence, at least energy security and control of its energy destiny.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3299, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3299, H.D. 2, S.D. 2, C.D. 1.

Representatives Andrews, Souki, Fukunaga, Honda, Kanoho and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Matsuura and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 56 on H.B. No. 3111**

The purpose of this bill is to establish a two-year pilot project to develop new cooperative housing units for low-income families or to convert at least one rental project to the limited equity housing cooperative form for low-income families.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee has also amended this bill by changing the appropriation to \$115,000 from \$150,000.

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



Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3111, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3111, H.D. 2, S.D. 1, C.D. 1.

Representatives Hayes, Fukunaga, Amaral, Arakaki, Ihara, Metcalf and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, Crozier, Fernandes Salling, A. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 57 on H.B. No. 2985**

The purpose of this bill is to appropriate funds for the lease or acquisition or plans, design, and construction of a multi-purpose center, including equipment and furnishings for the Leeward Oahu Community Mental Health Center and a similar facility for the Lanakila Mental Health Center.

Your Committee on Conference finds that the funds appropriated would be used to continue the programs called "the clubhouse" in Leeward Oahu and the Kalihi-Palama area in refurbished, improved facilities. Both centers act as multi-use, drop-in centers for seriously disabled, mentally ill clients serviced by the community mental health centers.

These programs are unique as a psychosocial and vocational rehabilitation programs because of the community-based setting they offer which many of the chronically mentally ill find more comfortable than established community mental health centers.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements, and renumbering the existing sections of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2985, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2985, H.D. 2, S.D. 1, C.D. 1.

Representatives Shon, Arakaki, Souki, Duldulao, Ihara and Liu,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, Levin and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 58 on H.B. No. 2293**

The purpose of this bill is to appropriate a reasonable sum for fiscal year 1990-1991 to be expended by the Department of Commerce and Consumer Affairs to conduct a comprehensive review of the State's financial institutions laws to strengthen the regulatory framework for, and to preserve public confidence in, these institutions.

Under this measure, the Commissioner of Financial Institutions would submit a progress report of findings and recommendations to the 1991 legislature and a final report would be submitted in 1992.

Your Committee finds that there is good cause for a comprehensive study of the State's laws relating to financial institutions. In light of the Financial Institutions Recovery, Reform and Enforcement Act of 1989 (FIRREA), many of the State's financial laws have been directly impacted and in some cases rendered obsolete. Your Committee notes that amendments to the statutory scheme have been done in a piecemeal fashion throughout the years.

Complex issues regarding competitive equality and consumer benefits make this study especially timely and relevant. The environment in the financial institutions area is in transition following deregulation efforts at both the federal and state levels. Traditionally, financial institutions, such as banks and savings and loans, occupied distinct arenas in terms of services and products. However, the walls of distinction are weakening among the various financial institutions with deregulation and technological changes and financial institutions argue that they must expand their areas of competition.

For the past few years, the legislature has been asked to consider a variety of bills relating to the expansion of powers and the competition or overlapping of functions by the financial institutions. However, before the legislature can make a decision in this area, it needs to establish and formulate guidelines in order to bring Hawaii into the era of deregulation and innovative technology in a deliberate fashion.

Therefore, a review of the issues surrounding deregulation and the competitive aftermath of deregulation and other changes in the marketplace would assist the legislature in making informed decisions on these types of bills. The legislature needs to look at the changing environment of the financial institutions both here and nationwide. For example, a survey and review of different studies prepared at the national and local level on the issues of "expanded powers" and the changing environment for financial institutions and an analysis of how Hawaii may be affected is needed. The legislature must be forward looking, but it must also proceed with caution in order to balance the competitive flexibility financial institutions require in this era of deregulation with the need to protect the public and preserve public confidence in the health of these institutions.

Your Committee amended the bill in the following manner:

- (1) Deleting the categories which have been outlined for the expenditures of funds and resources. Your Committee believes that it is too restrictive to specify the amounts which need to be spent for researchers, typists, data gathering, etc;
- (2) Changing the sum to be appropriated out of the general revenues from \$1 to \$150,000 for fiscal year 1990-1991 in order to allow the Department to expend the sums necessary to conduct this study;
- (3) Adding a new section to the bill stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (4) Specifying that this study should encompass "related laws and issues" regarding the operations of financial institutions. The intent is that this study should encompass issues affecting the operations and competitiveness of financial institutions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2293, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2293, H.D. 2, S.D. 2, C.D. 1.

Representatives Hirono, Fukunaga, Chang, Hiraki and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Blair, Hagino, Ikeda and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 59 on H.B. No. 2950**

The purpose of this bill is to amend the commercial motor vehicle driver licensing law enacted in 1989 to facilitate its implementation in accord with federal standards. This bill permits third-party driver examiners to administer the commercial motor vehicle skills test. Furthermore, this bill exempts certain classes of drivers from the commercial motor vehicle skills test. This bill also provides that the counties shall be reimbursed for the administrative costs of the commercial driver licensing program and that the Director of Transportation shall determine the amount reimbursed to the counties for administering the commercial driver licensing program.

Your Committee on Conference finds that this bill is necessary to bring state law into conformance with federal standards.

Your Committee on Conference has amended this bill as follows:

- (1) Setting the appropriation amount at \$800,000;
- (2) Designating the State with the responsibility to certify "third party examiners";
- (3) Requiring that the written notice to the examiner of drivers and the current employer by each commercial driver whose driver's license or permit is suspended, revoked or canceled, include the following additional information:
  - (a) Indication whether the violation was in a commercial motor vehicle;
  - (b) Location of the offense; and
  - (c) The driver's signature.
- (4) Deleting certain information from being required of persons applying for employment as a commercial motor vehicle driver;
- (5) Including a section explaining that the appropriation contained in this bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded and providing reasons for such action; and
- (6) Technical, non-substantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2950, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2950, H.D. 2, S.D. 2, C.D. 1.

Representatives Oshiro, Metcalf, Fukunaga, Tom, M. Ige, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Ikeda, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 60 on H.B. No. 2381**

The purpose of this bill is to appropriate funds to plan and develop a coordinated statewide program for the provision of services to control violent behavior, consistent with Act 361, Session Laws of Hawaii 1989.

Your Committee has amended this bill by:

- (1) Deleting the amendments made by the Senate and restoring the original language and contents of the bill as heard and passed out in the form of H.B. No. 2381, H.D. 1;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2381, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2381, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Arakaki, Fukunaga, Amaral, Baker, Duldulao, Ihara and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Ikeda, A. Kobayashi, McMurdo, Solomon, Tungpalan and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 61 on H.B. No. 2268**

The purpose of this bill is to establish a state office pilot project to improve access to state government services and to reduce traffic congestion and driving distances for the public. The pilot project will be established within the Office of Information and will consist of five satellite state offices, one each in Windward Oahu, Leeward Oahu, Maui, Kauai, and the Big Island.

Your Committee finds that expanding access to government services is currently a critical issue. With development moving toward the suburban and rural areas of the State, and with state agencies usually located in urban centers, accessibility to government services has become increasingly difficult and limited for suburban and rural residents. Therefore, offering government services in outlying areas would be consistent with present efforts for increased accessibility and decentralization.

This measure provides the Office of Information flexibility to determine which sites, within the above mentioned areas, would best serve the intent and spirit of this measure and the surrounding communities.

While this measure proposes that the office of information consider and study the feasibility of establishing pilot offices at a shared location with satellite city halls, it is the intent of your Committee that these offices be clearly identified as state offices, with a distinct and separate identity.

Your Committee finds that satellite city halls are unique to the City and County of Honolulu, and has therefore amended the bill to reflect that satellite state offices may be established at a shared location with satellite city halls or, in the case of the neighbor islands, other county facilities.

Your Committee has also amended the bill to delete language specifically stating that the Office of Information shall determine the appropriate site for each satellite state office. Your Committee finds that this language is redundant, since this authority is already clear in other provisions of this bill.

Your Committee has also amended the bill to increase the appropriation to \$300,000 in order to accommodate Kauai, which was not included in the original proposal.

Finally, your Committee has added a new section explaining the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2268, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2268, S.D. 1, C.D. 1.

Representatives Tom, Fukunaga, Baker, Okamura, Oshiro, Tajiri and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Blair, McCartney, Tungpalan and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 62 on H.B. No. 3114**

The purpose of the bill is to beautify Waikiki and maintain its appeal to visitors by appropriating \$1 to the City and County of Honolulu for improvements to Kapiolani Park, Kuhio Beach Park, the Waikiki mini-parks, Ala Wai Boulevard, Ala Wai Canal, Ala Wai Promenade and Ala Moana park.

Your Committees find that the bill would provide for much-needed improvements that would greatly benefit the entire state by maintaining Hawaii's international competitiveness in an essential sector of the state economy.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee has further amended the bill by changing the funding level to \$1,000,000, and by requiring the City and County of Honolulu to act in agreement with the Waikiki Improvement Association on the allocation of funds among the projects. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3114, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3114, H.D. 2, S.D. 1, C.D. 1.

Representatives Cachola, Souki, Tom, Baker, Bybee, Horita, Isbell and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Holt, Ikeda, McCartney and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 63 on H.B. No. 2895**

The purpose of this bill is to establish a compound interest bond reserve fund to pay debt service on general obligation bonds issued as "compound interest bonds." The fund moneys shall be used for the payment of principal and interest on compound interest bonds.

Your Committee finds that the existence of such a reserve fund will aid in fostering level budget requirements even though actual debt service requirements may vary greatly from year to year due to the nature of compound interest bonds.

Upon further consideration, your Committee has amended this measure by:

- (1) Providing that the Director of Finance may transfer a portion of general excise tax revenues collected pursuant to Section 237-31, Hawaii Revised Statutes, to the credit of the compound interest bond reserve fund;
- (2) Amending Section 237-31, Hawaii Revised Statutes, to provide that not more than \$5,000,000 from the general excise tax revenues realized by the State shall be deposited in the state treasury in each fiscal year to the credit of the compound interest bond reserve fund; and
- (3) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2895, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2895, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Fukunaga, Leong and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 64 on H.B. No. 2990**

The purpose of this bill is to authorize the issuance of general obligation bonds and to declare findings that the total amount of principal and interest, estimated for such bonds and all bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii, requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this bill by inserting the appropriate amounts provided by the Department of Budget and Finance. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2990, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2990, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,

Managers on the part of the Senate.

**Conf. Com. Rep. 65 on H.B. No. 2265**

The purpose of this bill as received is to provide for a more efficient and effective shoreline and ocean waters enforcement program by requiring a comprehensive study of existing ocean-related programs and functions. This bill appropriates \$200,000 for the Office of State Planning to determine the most effective organizational option for a well coordinated, integrated ocean management system. The results from this study will form the basis for legislation to transfer functions in an orderly and efficient manner.

As part of its deliberations, your Committee finds that:

- (1) It is premature to transfer ocean enforcement functions from the Department of Transportation to the Department of Land and Natural Resources this session;
- (2) The Legislative Auditor is the appropriate agency to undertake such a study;
- (3) The State should move expeditiously in determining the most effective ocean management system. Accordingly, while the study is being undertaken, steps should be taken simultaneously to prepare for the anticipated transfer of personnel; specifically, a transfer of the Department of Transportation's boating branch, including the marine patrol program, to the Department of Land and Natural Resources; and
- (4) Conflicts between the planned transfer of various enforcement functions to the Department of Public Safety as mandated through Act 211, Session Laws of Hawaii 1989, and the objectives of this bill should be avoided.

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

- (1) Deleting the purpose section;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (3) Amending Section 26-14.6, Hawaii Revised Statutes, to exempt the Department of Transportation's marine patrol from being transferred to the Department of Public Safety;
- (4) Amending Act 211, Session Laws of Hawaii 1989, to direct the director of Public Safety, in developing recommendations on the transfer of other public safety functions, to exclude consideration of functions within the Department of Land and Natural Resources;
- (5) Clarifying that the Legislative Auditor shall conduct the study, specifying the scope of the study according to appropriate chapters of the Hawaii Revised Statutes; and requiring certain analyses to be included as part of the study;
- (6) Appropriating funds to the Legislative Auditor instead of the Office of State Planning; and
- (7) Inserting the appropriate Ramseyering language.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2265, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2265, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Bybee, Souki, Apo, Baker, Isbell, Kanoho and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Holt, Ikeda, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 66 on H.B. No. 2308**

The purpose of this bill is to provide for the development of a youth gangs response system coordinated by the Department of the Attorney General that incorporates the critical elements of law enforcement and intelligence, training and community awareness, community intervention, community prevention, information, and evaluation.

The Senate had earlier amended House Draft 2 of this bill by:

- (1) Requiring in Section 5 the development of statewide gang training and a statewide law enforcement task force;
- (2) Substituting county police forces for county governments as recipients of appropriations for the monitoring of youth gang activities as listed in Section 6;
- (3) Deleting appropriations funding the office of youth research conducting a study of activities offered to youths by the Department of Parks and Recreations, City & County of Honolulu;

- (4) Adding language to specify that appropriations made for the expansion of a campus disturbance plan is expended by the Department of Education;
- (5) Adding new language specifying that appropriations be made for the continuance of the school based gang and drug prevention project at Kalakaua and Dole Intermediates and to expand the project statewide;
- (6) Deleting expenditures for the expansion of the school personnel training program of the Department of Education at Wahiawa Intermediate, Dole Intermediate, Kailua Intermediate, Waipahu Intermediate, and Jarrett Intermediate;
- (7) Deleting specifically targeted communities for the development of prevention and intervention programs for youth at risk; and
- (8) Adding new language specifying appropriations made to the center for youth research to conduct an evaluation of the youth gangs response system be expended by the University of Hawaii.

Your Committee upon further consideration has made the following amendments to H.B. No. 2308, H.D. 2, S.D. 2.:

- (1) Clarified in Section 1 and Section 13 that the Department of the Attorney General shall coordinate the youth gangs response system;
- (2) Added a new SECTION 2, in accordance with Section 9, Article VII of the Constitution of the State of Hawaii and statutory requirements, setting forth reasons why and the dollar amount and the rate by which the general fund expenditure ceiling is exceeded by the appropriation contained in the bill;
- (3) Renumbered consecutively the remaining sections and changed references in the bill to section numbers to conform to the renumbering;
- (4) Changed "the development of statewide gang training" to "a statewide training program for public citizens and government personnel who are involved or are in contact with youth gangs" in Section 6;
- (5) Changed "a statewide law enforcement task force" to " a statewide law enforcement task force focused on resolving youth gang criminal activities" in Section 6;
- (6) Inserted language with an appropriation directing the center for youth research at the University of Hawaii to conduct a study of the activities offered to youths by the Department of Parks and Recreation (Department), City & County of Honolulu, and to also assist the Department to plan and develop programs for targeted youth groups;
- (7) Amended Section 10 to include Wahiawa Intermediate, Kailua Intermediate, Kailua Intermediate, Waipahu Intermediate, and Jarrett Intermediate Schools; and
- (8) Amended Section 15 to authorize the Department of the Attorney General to expend the sums appropriated in Sections 6; 7, 8, 10, and 13.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2308, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2308, H.D. 2, S.D. 2, C.D. 1.

Representatives Metcalf, Arakaki, Tom, Souki, Amaral, Duldulao, Kawakami, Stegmaier, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, Menor and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 67 on H.B. No. 2500**

The purpose of this bill is to amend Act 316, Session Laws of Hawaii 1989, and other appropriations and authorizations effective during fiscal biennium 1989-1991.

#### FINANCIAL AND BUDGETARY OVERVIEW

Your Committee began pre-session fiscal deliberations projecting a modest \$248.5 million surplus at the close of fiscal year 1989-90. This surplus is primarily due to the continued strength of the State's economy, led by the tourism and construction industries. A review of the general fund tax revenues for the first five months of the current fiscal year revealed a 1.7 percent increase over the previous year. Projected tax revenue growth for fiscal years 1990-91 and 1991-92 show increases of 13.8 percent and 7.6 percent respectively.

In developing this supplemental budget, your Committee has focused on meeting the needs of today while continuing its efforts to develop opportunities for tomorrow. As in past supplemental years, your Committee has focused first and foremost on meeting health and safety needs in all program areas. Your Committee has built upon its biennial commitment to further improve the State's educational system. Funds have also been provided to meet unanticipated expenses, and a number of one-time funding projects, such as improvements to the State's infrastructure, have been funded. Highlighted below are some of the major program and budgetary changes made for the current fiscal biennium.

BUSINESS AND ECONOMIC DEVELOPMENT

Your Committee continues to support efforts to develop a strong and balanced economy. To reduce the State's reliance on traditional industries, your Committee has provided support for various economic development programs to diversify and expand Hawaii's economic base.

Business Development. Your Committee has provided funding for a number of initiatives designed to help diversify the State's economy, including:

- International Business Center. The Information Center component of the International Business Center will provide one-stop services for international traders and will be a major step in positioning Hawaii as a broker of business service expertise throughout the Pacific Region.
- High Technology. Your Committee has continued its support for the State's efforts to promote economic diversification through the development of high technology by providing funding for existing and new high technology parks.
- Office of Space Industry. Your Committee has recognized the State's potential in supporting both launch and non-launch space-related activities. Funding has been provided to continue the groundwork necessary for the development of Hawaii's space industry.
- Hawaii Capital Loan Program. The program provides loans to small businesses that are ineligible for financial assistance from private or conventional sources.

Tourism.

- Destination Marketing. Increased competition in the visitor industry has led to more aggressive and expanded marketing of Hawaii by both the State and the private sector. Your Committee has augmented the department's destination marketing budget in order to increase the state's competitiveness in the industry.

Agriculture.

- Pilot Detection Program. Your Committee realizes the importance of protecting Hawaii's agricultural resources and has provided funding for the expansion of the Pilot Detection program. The program helps prevent the introduction of destructive insects, plant diseases, and illegal non-domestic animals by using highly trained beagle dogs to detect potential violators.
- Animal Quarantine. Your Committee appropriated funds for permanent positions to increase the efficiency of the Animal Quarantine Station, a statewide rabies awareness program to increase the public's understanding of the disease, and a statewide rabies research and planning study to collect baseline animal serological data.
- Promotion. Continued support was provided for Hawaii's agricultural products through the funding of marketing related activities for pineapple, coffee, papaya, and locally produced milk.

EMPLOYMENT

Aware of the potential adverse repercussions of a labor shortage, your Committee has emphasized the need for work force expansion by increasing the "employability" of non-traditional and marginally employable sources of labor. Strengthening the labor exchange process will assist job seekers in obtaining valuable skills and provide the community with additional employees in meeting the current labor shortage.

Placement Services. Your Committee has appropriated funds to improve and expand employment services relating to job placement, employability development, and employer relations. Through the \$1.5 million expansion of the Job Help Store program, immigrant and potential job seekers will be provided with comprehensive employment and training services.

Employment and Training Programs. To bolster diversification and economic development, your Committee has funded programs to ensure and maintain a qualified and competitive workforce. Funds have been provided to continue the Aloha State Specialized Employment Training (ASSET) program. This program provides customized training and recruiting assistance specifically for high tech and growth industries.

Wage Standards & Fair Employment Practices. Recognizing the importance and need for advocacy in the area of civil rights, your Committee has provided funds and additional legal and investigatory staff to ensure adequate resources for the Civil Rights Commission.

TRANSPORTATION

Transportation plays a vital role in the development of the State. Continued development cannot come about without the support of modern and economical transportation facilities.

Airports. Your Committee has provided funds for various airport improvements, including funds for continued renovations, neighbor island land acquisition, increased emergency services, and additional police coverage. In addition, funds have been provided for terminal improvements at Honolulu, Keahole, Kahului, Molokai, Lanai, and Lihue Airports.



Harbors. Increasing cargo volume has placed a high demand on the State's harbors. To help accommodate this demand, your Committee has provided capital improvement funds for expansion of storage facilities, container yard improvements for Sand Island, improvements to Kahului, Hilo, and Nawiliwili Harbors, and an inter-island ferry system.

Highways. Traffic congestion continues to be a statewide concern. Your Committee has provided funds for the decentralization of offices, teleworking, and the use of alternative modes of transportation such as buses and ferries. Additionally, funds have been authorized for widening Kalaniana'ole, Nimitz, and Queen Kaahumanu Highways, and upgrading Kamehameha Highway and Hana Highway to Kula.

#### ENVIRONMENTAL PROTECTION

The protection of our environment is one of the overriding concerns of your Committee. Wastewater, solid waste, and hazardous waste not only pose major health concerns, they threaten the foundations of island life. Accordingly, your Committee has provided for the protection of our coastal waters and the expansion of hazard evaluation and emergency response activities. Funding has also been provided to conduct water management studies for the protection of existing surface and groundwater resources, as well as for the wastewater systems and underground injection control program.

#### HEALTH

Acquired Immune Deficiency Syndrome. Your Committee is concerned about the rapid increase in the number of HIV+ and AIDS cases in Hawaii, especially on the neighbor islands. To help combat the spread of AIDS, your Committee has provided funds on a number of fronts, ranging from the preventive efforts to case management services to direct services for victims.

Emergency Medical Services. Your Committee realizes the importance of addressing the immediate health and safety needs of the State. Funding has been provided to ensure continued quality ambulance services on Oahu and Hawaii. New initiatives include a work study program for Mobile Intensive Care Technicians to address the statewide shortage of emergency medical personnel and a new ambulance unit for Kapaa to meet the growing needs on Kauai. Additional funds have been provided to ensure continued emergency room service at the Waianae Coast Comprehensive Health Center.

Substance Abuse. Your Committee has provided funds to provide education, prevention, and rehabilitation services for substance abusers, with an emphasis on youth. Funding has been provided for the expansion of Teen C.A.R.E. (Counseling, Awareness, Rehabilitation, Education), and for treatment facilities for adolescents on Hawaii, Maui, and Kauai. Your Committee is also concerned about substance abuse among pregnant women, and has provided funds for the Baby S.A.F.E. (Substance Abuse Free Environment) Initiative.

ASK 2000. Your Committee has provided funds for ASK 2000, to help bridge the gap between public and private service providers and potential service recipients. This innovative, single-access, statewide information and referral service represents the collaborative efforts of four State departments and the private sector.

#### HUMAN SERVICES

Human service programs embrace a range of activities, serve a diversity of people, deliver an array of services, and accommodate a multiplicity of varying needs. Your Committee has always demonstrated a strong commitment to maintaining a viable and responsive human service system. Today, that commitment continues.

Foster Care. Foster care requirements in Hawaii continue to grow. A recent study found that the State lacks a unified system of foster care and is over-using foster care while under-emphasizing alternatives like adoption. Your Committee has responded by broadening and improving foster care services over the entire continuum, including prevention, placement, training, support teamwork, independent living, services to children with special medical and social problems, and adoption.

Care for Drug-Addicted and Medically Fragile Babies. The problems of drug-addicted or medically fragile babies have come to your Committee's attention. Your Committee has provided funding for a training and technical assistance program for caregivers of these babies. Funding has also been provided for a community-based early intervention team to provide support for caregivers and for the establishment of a cluster model of foster homes for drug-exposed or medically fragile infants.

Assistance for the homeless. The State's homeless population is a growing concern. In response, your Committee has provided funding for a loan deposit program, consultant services to develop plans and programs, and the establishment of a homeless emergency loan program.

Elder Care. By the year 2005, individuals 60 years of age and older will comprise nearly 18 percent of the State's total population. Accordingly, your Committee has provided funds for the establishment of a multilingual access informational program, an older employment program, a statewide conference on elder care, and the expansion of the senior resource demonstration project.

JOBS. The Federal Family Support Act of 1988 requires recipients of Aid to Families with Dependent Children (AFDC) to participate in a Job Opportunities and Basic Skills (JOBS) program. The program seeks to encourage welfare recipients to work towards financial self-sufficiency by acquiring job skills which are in demand in the labor market. Your Committee provides for a JOBS pilot program on the Island of Oahu. Deliberate phased implementation will allow for field testing of concepts and ideas on a more manageable level before expanding statewide. Your Committee has also provided for the necessary administrative and operational support to plan for and to facilitate the statewide expansion of JOBS, as required by Federal law, by October 1992.

## LOWER EDUCATION

Last session, major funding support was provided for educational reform; both for quickstart implementation as well as to bring about enduring changes. School-Community Based Management was the primary focus of your Committee's effort to improve the school system. Although the implementation of the program has not been as extensive as anticipated, your Committee is optimistic that continued progress will be made during the coming years. Additional resources provided will not only strengthen the department's instructional delivery capability, but will also improve administrative and operational responsiveness to students and personnel.

Reduced Class Size Ratio. The 1987 Legislature made a commitment to reduce the class size ratio for kindergarten and grade one students from 26.15 students per teacher to 20 students per teacher. Your Committee continues this commitment, and provides positions and funds to reduce the ratio for grade two students to 20 students per teacher. These positions will provide each child with further opportunities for individual attention and promote a positive attitude toward learning at an early age.

Consortium for teaching Asia and Pacific in the Schools. Your Committee has provided funds to continue this worthwhile program. With the increased involvement and activity of these countries in Hawaii's culture and economy, students as well as educators will benefit tremendously from this program. It is hoped that support and involvement from the private sector will continue to enhance this program.

Additionally, positions and funds have been provided to enable the department to update and upgrade the social studies curriculum.

In-school Suspension Pilot Program. A continuum of alternatives to suspension for students encountering problems such as truancy, minor misconducts, and adjustment difficulties must be established. Your Committee has provided funds to enable ten schools to participate in a demonstration project. Once the program is evaluated, your Committee is hopeful that suspensions from school will be managed through a range of alternative forms of discipline.

School counselors. Your Committee reaffirms the concept of "school-community based management" and provides funding for thirty counselor positions to be used at the discretion of the elementary and high schools. These positions will provide schools with additional counselor support and enhance services for students requiring this attention.

School food services. Providing nutritional and adequate meals for our students at affordable prices is a critical need. The current prices of 35 cents for breakfast and 45 cents for lunch are one of the lowest in the nation, and far below cost. However, your Committee notes that current operations have resulted in major deficits in the department's budget. To maintain the current student prices, your Committee has provided \$3.1 million to assist in this shortfall. Your Committee, concerned that this trend not continue, recommends that the department review current practices and examine and implement alternatives in order to rectify this deficiency.

Educational Innovation Projects. Innovation will be promoted through projects which will restructure the teaching and learning environments at all school levels. Funds have been provided to continue team teaching at Castle and Campbell high schools. The Honolulu District and Konawaena Intermediate School will continue to plan and implement the middle school concept. The concept of schools within school will be the focus at Kapaa and Honaunau elementary schools.

Vice Principals and General Aides. Vice principals and general aides play an integral role in the move toward shared decision-making. Your Committee recognizes the importance of these positions within the school community and has provided positions and funds for a total of 39 vice principals and 25 general aides to meet the numerous demands of the schools.

Division of Technology and Information Services. Your Committee has provided six positions and funds to establish a new division to unite the eight units that currently fulfill the technological needs of the Department of Education. This division will provide more efficient planning and maintenance, enabling the department to keep pace with technological change. Funds to continue the implementation of the Financial Management System have also been provided.

Repair and Maintenance. Concerns regarding the physical condition of the public schools continue to be addressed. Most cyclical repair goals have been met, however, additional funds are still required. Your Committee has continued its support for school maintenance by providing an additional \$3.5 million. Additionally, funds to implement the Statewide Inspection Program have been provided.

## HIGHER EDUCATION

Your Committee continues to strengthen the educational foundations of the University of Hawaii system, reinforcing areas where substantial progress has been made in Hawaiian, Asian, and Pacific studies; in ocean and earth sciences and technology; and the revision of undergraduate curricula to incorporate greater emphasis on writing, computer science, and foreign languages. A concerted effort has been made to provide the necessary infrastructure to support and facilitate further development in these and other areas responsive to the needs of the community.

Health and Safety. To ameliorate conditions which jeopardize the health and safety of students, university personnel, and the general public, your committee has provided funding for security, hazardous waste disposal, and emergent remedial changes to program facilities.

School Teacher Shortage. Your Committee continues to be concerned about the shortage of school teachers, and has provided funding for the first of a three part plan to enlarge the College of Education's teaching programs.

Child Care. Services have been expanded through additional funding for the preschool child care center and the Honolulu Community College center to assist parents who are members of the university community.

Minority Programs. Funds have been provided to expand minority programs at UH Manoa, UH Hilo, and the Community Colleges, including program expansions for Imi Ho'ola and Operation Kua'ana.

Wage and Salary Adjustments. Hourly wage increases have been provided for student assistantships, and repricing of administrative, professional, and technical (APT) unit employees has been provided to maintain comparability and equity relative to the state civil service classification schedules. Your Committee has addressed the rise in nursing salaries by providing additional funding to assist in the recruitment and retention of nursing faculty.

Master Plans. Your Committee has provided funds for the academic and long-range growth of the university by augmenting the West Oahu and system-wide master plans, and by providing new funds for the faculty housing master plan.

In the area of special repairs and maintenance your Committee has provided for the replacement of the artificial turf and warning track at the Rainbow Baseball Stadium.

Your Committee has also provided for a number of capital improvement projects for the university. These include funds for a new 10,000-seat Special Events Arena on the Manoa campus, the Agricultural Sciences Facility, the College of Education Complex, the Center for Hawaiian Studies, Wist Hall, Kapiolani Community College at Diamond Head, and Maui Community College.

### CULTURE AND RECREATION

The Culture and Recreation Program continues to support efforts to provide the general public with accessibility to the arts and with the opportunities to take advantage of varied recreational activities.

In keeping with the program's commitment to accessibility, your Committee has allotted funding to the Works of Art special fund to benefit the Arts In Public Places program. Funds have been provided for the development of educational programs at the Waikiki Aquarium and for the local restaging of the Hawaii exhibits showcased at the Smithsonian Folklife Festival. Your Committee has also provided support to the Hawaii Public Broadcasting Authority for new and continuing productions.

In the area of recreation, the Na Ala Hele program was endorsed to implement the Hawaii Statewide Trail and Access System. To address the concerns of preserving Hawaii's historical elements, your Committee has appropriated funds for the establishment of a Historic Preservation Division (separate from the State Parks) within the Department of Land and Natural Resources. Funds have also been provided for the upgrading of recreational boat launching facilities statewide, as well as for continuing research on the development of a portable test kit to detect the ciguatera toxin in fish.

### PUBLIC SAFETY

Your Committee has addressed the need for coordination in the consolidation of the various public safety functions in the recently formed department of public safety. To ensure better organization of public safety functions and the fulfillment of mandated requirements, your Committee has provided funds to resolve long-standing deficiencies and guarantee proper development of the department.

Salary Adjustments for Adult Correctional Officers (ACOs). The correctional system's recruitment and retention problems stem, in part, from unsatisfactory salary levels for ACOs. Your Committee has provided funds to enable the department to raise ACO salaries to levels competitive with county law enforcement agencies and fire departments.

Management Information System. A computerized information retrieval system will enable the department to provide support and guidance over management decisions. Working in conjunction with the special master, your Committee has provided for an inmate management system to be established as the initial step in the management information system.

Repair and Maintenance. The physical condition of the correctional facilities continues to be a major concern. Funds for repair and maintenance projects have been provided with priority given to health and safety modifications.

New Program Structure. A new program i.d., PBS 900 (General Administration-Public Safety), has been created to accommodate the transfer of personnel and resources from the Sheriff's Office and for additional management and administrative support.

### GOVERNMENT WIDE SUPPORT

Computerization of Support Functions. Your Committee continues its efforts to provide the State with highly automated, cost-efficient support functions through computerization. Funds have been provided for an integrated payroll/personnel system (PAYERS) to update the present system, which was developed by the State in the late 1960's. Additional funds have been provided to upgrade the Applicant Tracking System and computerize the Classification and Pricing Actions System. Finally, your Committee has continued its support for the implementation of the redesigned General Excise Withholding/Transient Accommodations Tax (GEW/TAT) system.

State Civic Centers. To ensure easy access to government services statewide, your Committee has provided funds for the construction of State Civic Centers in Liliha, Kahului, Kapolei, Kaunakakai, and Waipahu.

Honolulu Police Department Crime Laboratory. Your Committee has provided funds for the expansion of the Honolulu Police Department crime laboratory to provide services for the attorney general, the police departments of Kauai, Maui, and Hawaii, and other local law enforcement agencies.

SUMMARY AND RECOMMENDTION

In summary, your Committee has thoroughly reviewed the numerous and varied supplemental funding requests and concerns of the Administration, the House of Representatives, the Senate, and the citizens of the State. Your Committee believes that it has molded a supplemental budget which meets the needs of the State and addresses the aforementioned issues.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2500, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2500, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 68 on H.B. No. 1144**

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new section which establishes a small business incubator program under the Department of Business and Economic Development. The program shall assist new businesses, especially those engaged in high technology, for a maximum period of five years. In addition, \$1 is appropriated to establish and operate a small business biotechnology incubator to conduct research and advance training in tropical biotechnology important to Hawaii and to other countries, particularly in the areas of health, agriculture, and marine biology.

Your Committee finds that the State is in the forefront of biotechnology research related to tropical and subtropical environments. As a leader in this field, the State would benefit from the commercial application of new discoveries which would provide both economic growth and employment opportunities. Therefore, your Committee finds that there is a need for the creation of a biotechnology incubator program to assure the continued growth and development of this area, for the benefit of the State.

The bill has been amended by deleting the language that created a small business incubator program and by expanding the language that creates a small business incubator program for biotechnology. The amended bill establishes a pilot small business incubator for biotechnology that would conduct research on matters of high priority for Hawaii, provide training in biotechnology research, and develop opportunities and markets for enterprises engaged in biotechnology.

In addition, \$100,000 has been appropriated for fiscal year 1990-1991 to establish and operate the program. The program shall be a joint project of the Department of Business and Economic Development and the University of Hawaii, who may request the services of the Pacific International Center for High Technology Research to assist them in the development of the small business incubator for biotechnology.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1144, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1144, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Fukunaga, Hiraki, M. Ige, Lee and Hemmings,  
Managers on the part of the House.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 69 on H.B. No. 1900**

The purpose of this bill is to designate the Vice-Director of Civil Defense as a first Assistant to the Director who shall receive compensation pursuant to section 26-53.

Your Committee finds that the proposal to compensate the Vice-Director of Civil-Defense at the first assistant level is appropriate and justified because over the past twenty years, the continued increase in the State population, demographic changes, growth in technology, and changes in federal laws have increased the scope and complexity of civil defense operations. Consequently, the responsibilities for managing, directing, and controlling these operations have also expanded.

Your Committee has amended this bill as follows:

- (1) Increasing the appropriation amount to \$15,441, for fiscal year 1990-1991, and deleting the appropriation for fiscal year 1989-1990;

- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory provisions;
- (3) Changing the effective date to take effect on July 1, 1990; and
- (4) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1900, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1900, S.D. 1, C.D. 1.

Representatives Takamine, Metcalf, Souki, Baker, Bellinger, Horita, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Yamasaki, McCartney and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 70 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 a housing demonstration project to:

- (1) Direct the services of professionally-trained resident assistants to the elderly living independently in specified housing facilities; and
- (2) Encourage the development of an effective problem resolution and service provision process for elderly housing residents of specified housing facilities.

Additionally, the bill requests the Executive Office on Aging to submit a report which evaluates the progress of the demonstration project to the Legislature prior to the convening of the Regular Session of 1991.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1251, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1251, H.D. 1, S.D. 2, C.D. 1.

Representatives Arakaki, Souki, Baker, Hayes, Ihara, Leong and Liu,  
Managers on the part of the House.

Senators Yamasaki, Hagino, A. Kobayashi, McMurdo and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 71 on H.B. No. 69**

The purpose of this bill is to provide for early intervention services that are crucial to the long-term well-being of infants and toddlers with special needs. These intervention services would include the development of community-based, family-centered diagnostic services; a public awareness and "child find" effort; and a training program for personnel working with infants and toddlers with special needs and their families.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with the constitutional and statutory requirements.

Technical, nonsubstantive revisions were made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 69, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 69, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Souki, Amaral, Duldulao, Fukunaga, Horita, M. Ige and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, McMurdo, Nakasato and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 72 on H.B. No. 3095**

The purpose of this bill as received is to establish an office of tourism within the Department of Business and Economic Development, headed by an additional Deputy Director. The responsibilities of the office include tourism industry promotion and development, and other duties related to the visitor industry. The bill also establishes an eleven-member

tourism commission to approve the state tourism marketing plan, other promotion activities, and the office's budget requests.

The tourism office would also contract with the Hawaii Visitors Bureau, establish the visitor industry impact management system, plan for the development of the state tourism industry, make an annual report to the legislature, and prepare the biennial tourism marketing plan.

The bill also appropriates \$200,000 for the establishment and operation of the Office of Tourism and the Tourism Commission.

Your Committee finds that tourism, which accounts for a major sector of the state economy, needs greater stature within the state government in order to give that industry the support and recognition it deserves and to allow for coordination and development of the industry at a higher level.

Your Committee has amended this bill by:

- (1) Adding a purpose section;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (3) Changing the name of the Department of Business and Economic Development to the Department of Business, Economic Development, and Tourism;
- (4) Adding definitions of "department," "director," "deputy director of tourism," and "council";
- (5) Changing the size, composition, and duties of the tourism commission, making it an advisory council responsible for reviewing, evaluating, and making recommendations on the biennial tourism marketing plan, its implementation, and inventory and analysis of visitor satisfaction and complaints;
- (6) Changing the name of the visitor industry impact management system to the visitor impact management system, rather than to the tourism impact management system, to avoid confusion with the University of Hawaii travel industry management school;
- (7) Adding that the new deputy director be in charge of other tourism-related activities "as may be assigned by the director," with the explicit intent that the duties of the deputy director be restricted to only tourism-related functions;
- (8) Giving the Office of Tourism responsibility for development of the biennial tourism marketing plan;
- (9) Changing the subject appropriation to \$161,000, which is composed of \$111,000 to fund the new deputy director and deputy director's secretary positions, and \$50,000 to fund the council;
- (10) Changing the effective date from July 1, 1991 to July 1, 1990;
- (11) Making other technical, nonsubstantive amendments for purposes of style and clarity.

It is the intent of the Legislature that the governor, in appointing the deputy director, shall consider the individual's experience in planning, business, or finance, with emphasis on tourism marketing and promotion

It is the intent of the Legislature that the governor, in appointing voting members of the Hawaii tourism marketing council, consider destination areas throughout the state, including those on Molokai and Lanai. Furthermore, the Legislature also intends that members be qualified in tourism marketing and promotion.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3095, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3095, H.D. 2, S.D. 2, C.D. 1.

Representatives Cachola, Souki, Baker, Hirayama, Horita, Oshiro, Tajiri and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Holt, Ikeda, McCartney and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 73 on H.B. No. 3098**

The purpose of this bill is to create a two-year pilot program to develop visitor industry practicum courses at Waipahu and Farrington High Schools.

Your Committee finds that the program initiated by this bill would build on an existing program at Waipahu High School. It would also take advantage of Farrington High School's transition center and exemplary Japanese language program.



Your Committee has amended the bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements and by changing the funding level to \$33,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3098, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3098, H.D. 2, S.D. 1, C.D. 1.

Representatives Cachola, Fukunaga, Takamine, Duldulao, Horita, Yonamine, Yoshimura and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Crozier, Holt, A. Kobayashi, Nakasato and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 74 on H.B. No. 3355**

The purpose of this bill is to enable the development of an array of community-based prevention, training, support, and treatment services in relation to foster care.

Specifically, the bill appropriates resources to the Department of Human Services to:

- (1) Develop community-based prevention and treatment services and increase activities to prevent the placement of children in foster care;
- (2) Recruit, train, prepare, and support foster parents;
- (3) Implement an independent living program for foster children; and
- (4) Hire two adoption specialists.

This bill also appropriates resources to the Judiciary of the State of Hawaii for:

- (1) The development of paralegal support services to assist social workers statewide;
- (2) The establishment of one full-time family court judge position for the county of Kauai; and
- (3) The establishment of two additional family court judge positions for the City and County of Honolulu.

Your Committee on Conference finds that reform is necessary to improve the State's system of foster care for children. Resources must be appropriated to improve the treatment of children consigned to the state system as well as to attract federal funding.

Your Committee on Conference has amended this bill as follows:

- (1) Added a new section, to comply with constitutional and statutory requirements, stating the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit;
- (2) Appropriated \$200,000 for the development of an array of community-based prevention and treatment services and to increase activities to prevent placement of children in foster care;
- (3) Appropriated \$128,520 to recruit, train, prepare, and support foster parents;
- (4) Appropriated \$59,600 to implement an independent living program for foster children;
- (5) Appropriated \$179,860 for the hiring of two adoption specialists;
- (6) Appropriated \$65,020 for paralegal support services and designated the Department of the Attorney General as the expending agency thereof;
- (7) Deleted the section which would have established a full-time family court judgeship for the County of Kauai, and two additional family court judgeships for the City and County of Honolulu; and
- (8) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3355, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3355, H.D. 2, S.D. 2, C.D. 1.

Representatives Metcalf, Arakaki, Souki, Amaral, Chang, Peters, Shon and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Aki, A. Kobayashi, McMurdo and Koki,  
Managers on the part of the Senate.



**Conf. Com. Rep. 75 on H.B. No. 3357**

The purpose of this bill is to appropriate funds to maximize federal dollars in the State Medicaid program.

Your Committee finds that Medicaid financing provides a cost-effective alternative for enhancing and expanding the scope of health services provided to the high-risk population served by the Department of Health's programs. Your Committee believes that these services are essential to the health and well-being of the people of Hawaii and that expanding and supporting health care is the best possible investment to future generations.

Your Committee has amended this bill as follows:

- (1) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (2) Expanded optional health care under Section 346-14(14), Hawaii Revised Statutes, to children under six years of age rather than children under eight years of age.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3357, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3357, H.D. 2, S.D. 1, C.D. 1.

Representatives Arakaki, Souki, Chang, Ihara, Leong, Shon and Liu,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 76 on H.B. No. 3385**

The purpose of this bill is to assist the pilot outreach program of the Office of Children and Youth by providing for a program development outreach specialist to serve the literacy needs of the State.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3385, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3385, S.D. 1, C.D. 1.

Representatives Arakaki, Fukunaga, Chang, Kawakami, Tam, Yonamine and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, Aki, A. Kobayashi, McMurdo and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. No. 77 on H.B. No. 2046**

The purpose of this bill is to support family caregivers, assure safe and adequate care to elders, and pursue cost-effective service options for older adults by providing grants to renovate and improve existing facilities used to deliver a variety of long-term care services.

Your Committee has amended this bill by adding a new section stating the reason why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2046, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2046, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Souki, Ihara, Leong, Metcalf and Liu,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, McMurdo, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 78 on H.B. No. 2092**

The purpose of this bill is to link social and employment services with housing development by establishing a mechanism for the planned development of services at a one-stop center in Kapolei.

The mechanism established by this bill is a social and employment incubator project board that would be responsible for the planning and implementation of the social and employment services project for the West Oahu region and would

review all available needs and identify future needs. The board would also plan the establishment and oversee the implementation of a shared facility at Kapolei that would serve as the one-stop center to simplify resident access to services.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2092, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2092, H.D. 2, S.D. 1, C.D. 1.

Representatives Arakaki, Fukunaga, Amaral, Duldulao, Peters, Tajiri and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, Crozier, McMurdo, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 79 on H.B. No. 2229**

The purpose of this bill is to amend Act 303, Session Laws of Hawaii 1989, to provide supplemental appropriations to the Office of Hawaiian Affairs (OHA) for fiscal year 1990-91.

Your Committee carefully examined the supplemental budget request submitted by OHA and made provisions for those program activities which would assist OHA in its efforts to better serve native Hawaiians and Hawaiians in the State.

Your Committee recommends that in this supplemental year, OHA refrain from expansionary programs until it has addressed the concerns raised in the legislative audit on OHA. Realizing that the physical consolidation of OHA's offices may enhance communication and coordination, your Committee has provided funds for relocating existing staff from various locations to one central office location.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2229, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2229, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Crozier, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 80 on H.B. No. 2280**

The purpose of this bill is to promote the optimal health of pregnant women and ensure the best outcomes for all births by appropriating resources to:

- (1) Establish a perinatal care hotline service to act as a referral and resource for pregnant women and women of child-bearing age;
- (2) Establish a three-year demonstration project to provide incentives to pregnant women to seek perinatal care;
- (3) Establish a three-year demonstration project to provide at least three programs for comprehensive perinatal services in needy areas and reimbursement for comprehensive services for low-income or high-risk pregnancies, including nutrition education, health education, psychosocial services, and the provision of perinatal vitamins and minerals;
- (4) Establish a three-year demonstration project to provide flat-rate medicaid reimbursements to physicians and certified nurse-midwives for vaginal and caesarean deliveries at the prevailing reimbursement rates in the State;
- (5) Establish adjunctive eligibility for the federally funded Women, Infants, and Children program (WIC) so that all women receiving medicaid assistance and all members of families in which a pregnant woman or infant receives medicaid assistance are considered automatically income eligible; and
- (6) Ensure the quality of community health clinics in urban areas by providing perinatal health care services that are responsive to the needs of the community and by making necessary improvements in the delivery of perinatal health care services.

This bill also amends Section 324-1, Hawaii Revised Statutes, to include the Department of Health as one of the entities that may receive data for use in the course of any study on reducing maternal and perinatal morbidity or mortality.

Additionally, this bill amends Section 324-2, Hawaii Revised Statutes, to extend to the Department of Health, all restrictions provided therein regarding the use and confidentiality of data in conjunction with any study on maternal and perinatal morbidity or mortality.

Your Committee has amended this bill as follows:

- (1) Clarifying that the perinatal care hotline service is to act as a referral and resource for pregnant women and women of child-bearing age to inform them about the value and importance of early prenatal care and to help them to access perinatal services;
- (2) Clarifying that the maternal care incentives demonstration project shall develop incentives to allow participants to receive maternal and infant supplies at little or no cost, rather than just developing a coupon book;
- (3) Clarifying that the proposed establishment of adjunctive eligibility for the WIC program will enable pregnant women to obtain adequate food and nutrition during pregnancy, which will contribute to higher birth weight babies with fewer medical problems;
- (4) Deleting Sections 12 and 13 of the bill, as received, which pertains to ensuring the quality of community health clinics and making necessary improvements in the delivery of health care services;
- (5) Adding a new section, to comply with constitutional and statutory requirements, which states the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2280, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2280, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Shon, Souki, Amaral, M. Ige, Isbell, Kawakami and Liu,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 81 on H.B. No. 2281**

The purpose of this bill is to establish a two-year family support center demonstration project, with a family support center to be located on the island of Oahu, to demonstrate the effectiveness of the community-based family support center concept and to test different models of service delivery.

Your Committee on Conference has amended this bill by:

- (1) Establishing two family literacy programs as part of the family support center demonstration project and appropriating \$200,000 therefor;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2281, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2281, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Fukunaga, Amaral, Ihara, M. Ige, Leong, Tam and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, McMurdo, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 82 on H.B. No. 2287**

The purpose of this bill is to promote economic development and diversification by appropriating funds for plans and development of a full-service financial mall in Honolulu, including exchange trading floors and facilities for a variety of financial industry operations and support activities.

Your Committee has amended this bill by adding the financial services assistance program originally contained in H.B. No. 2290 and S.B. No. 3492. This statutory program allows the department of business and economic development to provide financial assistance to attract and develop financial services industry operations, including but not limited to a securities exchange, to Hawaii. Definitions of financial mall and financial services industry, as well as a revolving fund, have also been provided.

In addition, your Committee has:

- (1) Amended the purpose clause to more clearly state the purpose of the bill;
- (2) Added a new section stating the reason why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee intends that this bill should allow the Department of Business and Economic Development to hire consultants on its own or to share the cost of consultants with private industry. The choice of consultants will be critical in the success of this project. The following criteria should be followed in selecting the consultants for this project:

- (1) The consultants selected must have the knowledge and ability to develop a specific work plan, not a general one, including the identification of primary financial products to be traded on a Hawaii exchange to ensure its success;
- (2) The consultants selected must be respected by the industry, so that their findings will be accepted by the various exchanges considering Hawaii as a base of operations; and
- (3) The consultants selected must be able to complete the work within the cost range provided.

Your Committee does not intend for this program to provide financial assistance to accounting firms or retail financial services such as banks, savings and loans, or credit unions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2287, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2287, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Fukunaga, Isbell, Say and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Chang, A. Kobayashi, Levin and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 83 on H.B. No. 2288**

The purpose of this bill, as received by your Committee on Conference, is to promote the development of the computer software industry in Hawaii by creating the Hawaii Software Service Center within the High Technology Development Corporation (HTDC).

Your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 2288, H.D. 2, with amendments deleting the requirements that the department of budget and finance issue a determination in advance about the expertise of Hawaii software companies for each software development project and that the Director of the department be responsible for minimizing the involvement of mainland companies in software development.

Your Committee has further amended the bill by:

- (1) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) Adding a severability clause; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

These changes address concerns about H.B. No. 2288, H.D. 2 raised by the department of budget and finance in a previous hearing. By deleting the prior evaluation requirements, the state government can make software purchasing decisions based on a straightforward ten per cent differential between local companies and out-of-state companies.

The requirement that the Hawaii Software Service Center be informed about state agency software development requests does not bind any agency to a project; it is merely informational. Nor does the authority given to the HTDC to copyright software applications and programs developed for the State alter the current ability of any agency to copyright or license software, since the HTDC authority is subject to a licensing contract between HTDC and the state agency which developed the software. This change merely enables the Hawaii Software Service Center to work with state agencies to market their software, to the benefit of both state government and the software industry.

The department's final concern was the the appropriation to the University of Hawaii in the absence of a University plan for commercial software development. Your Committee notes that the appropriation will not be released until the University has completed its plan. Since the introduction of this bill, the University has made rapid progress toward completion of its plan. Your Committee is confident that the University will complete its plan before the beginning of the 1990-1991 fiscal year.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2288, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2288, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Taniguchi, Souki, Chang, Duldulao, Fukunaga and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 84 on H.B. No. 2290**

The purpose of this bill, as received by your Committee, is to create the Hawaii Linked-Deposit Development Program, to be administered by the Department of Budget and Finance, to promote the availability of capital to small businesses in industries other than the tourism industry.

Your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 2290, H.D. 2, which creates the Hawaii Strategic Development Corporation to encourage and foster innovation and the development and application of high technology in Hawaii industries. This bill is substantially the same as H.B. No. 9, which was passed by the Legislature in the 1989 Regular Session but was vetoed by the Governor for technical reasons. This bill incorporates changes made to correct the technical flaws of H.B. No. 9.

Your Committee has further amended this bill as follows:

- (1) Deleted the statutory programs for research and development, product development, and financial services industry support;
- (2) Required the Corporation to review and evaluate the feasibility of capital formation programs utilized in other states;
- (3) Broadened the purpose section and the definitions of "economic development project", "enterprise", and "minority-owned businesses";
- (4) Narrowed the definition of "person" by excluding nonprofit corporations and higher education institutions;
- (5) Added a severability clause;
- (6) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (5) Made technical, nonsubstantive changes for purposes of clarity and style.

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

Representatives D. Ige, Taniguchi, Souki, Fukunaga, Kanohe, Stegmaier and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 85 on H.B. No. 2582**

The purpose of this bill is to:

- (1) Appropriate funds for shelters and programs that assist the homeless; and
- (2) Request the Governor to appoint members to the Homeless Committee of the Subcabinet Task Force.

Your Committee finds that Hawaii's homeless problem is substantial and growing. There is an immediate need for expanded services to help homeless individuals and families regain their independence and self-sufficiency.

Your Committee on Conference has amended this bill by:

- (1) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) Making an appropriation of \$375,000 to the Department of Human Services to establish a program of services to battered women and children who are homeless due to family violence in the Leeward area of the island of Oahu;
- (3) Decreasing the appropriation for street outreach and first response care for homeless individuals and families from \$605,350 to \$230,350;
- (4) Deleting the appropriation for the retaining of consultants by the Department of Human Services because this appropriation is contained in the Supplemental Budget; and

- (5) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2582, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2582, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Souki, Chang, Ihara, M. Ige, Shon, Say and Liu,  
Managers on the part of the House.

Senators Yamasaki, Aki, A. Kobayashi, McMurdo and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 86 on H.B. No. 2296**

The purpose of this bill is to require the Office of State Planning (OSP) to conduct studies at five-year intervals to determine the capability of various regions of the State to support increases in resident and visitor populations and their impact on these regions. The bill also appropriates \$300,000 to the OSP.

Your Committee finds that the studies commissioned by this bill would provide information necessary to allow the State to plan for future population growth and economic development.

Your Committee has amended this bill by:

- (1) Adding a purpose section;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (3) Changing the title from "Population impacts" to "Regional studies" in the added Section §225M-2(b)(9), Hawaii Revised Statutes, and including physical, social, economic, and environmental impacts to be studied;
- (4) Requiring the OSP to determine the phasing of the studies;
- (5) Adding a new section stating that the studies may include infrastructure demand, social factors, economic factors, cultural factors, environmental factors and safety factors;
- (6) Changing the appropriation to \$200,000; and
- (7) Making other technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2296, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2296, H.D. 2, S.D. 1, C.D. 1.

Representatives Cachola, Souki, Baker, Hirayama, Horita, Okamura, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Holt and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 87 on H.B. No. 2608**

The purpose of this bill is to amend Act 315, Session Laws of Hawaii (SLH) 1989, to provide supplemental appropriations to the Judiciary for fiscal year 1990-91.

Your Committee remained mindful of the budgetary foundation established through Act 315, SLH 1989, for the fiscal biennium 1989-91 during its budget deliberations. As such, your Committee addressed the Judiciary's most urgent concerns and operational requirements and funded them accordingly.

To address the increasing workload and facilitate timely services, your Committee provided for a Family Court judge and support staff to the Family Court of the First Circuit to respond to growing caseloads in domestic violence, juvenile, and adult criminal cases. A temporary Social Worker III position in the Second Circuit was converted to a permanent position to ensure continuity of services on Molokai and Lanai.

In order to implement the new records retention schedule, and to maintain a manageable record keeping system, your Committee provided additional staffing for the District Court's Records Management Division.

Your Committee funded programs to provide much needed services on the neighbor islands by expanding the Children's Advocacy Center and the Program Services Office statewide.

Finally, funds were provided to meet the growing facility needs of the Family Court in the First Circuit and to address facility needs on Kauai, Molokai, Maui, and Hawaii.

Your Committee agrees that the Judiciary should be allowed flexibility in budget execution and day-to-day operations. However, it is not the intent of your Committee to extend that flexibility to include funding of unauthorized programs and positions through internal savings and reallocations. This practice may create problems should internal savings become inadequate. More importantly, this practice circumvents the legislative budgetary process relating to fiscal responsibility.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2608, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2608, H.D. 2, S.D. 2, C.D. 1.

Representatives Metcalf, Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Menor, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 88 on H.B. No. 2645**

The purpose of this bill is to appropriate funds to educate the families of mentally ill persons, in order to assist them to understand and provide for mentally ill family members.

Your Committee has agreed to adopt the Senate version of H.B. 2645 and has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2645, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2645, H.D. 2, S.D. 1, C.D. 1.

Representatives Arakaki, Fukunaga, Duldulao, Isbell, Metcalf, Shon and Liu,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 89 on H.B. No. 2649**

The purpose of this bill is to establish a community-based teenage health clinic demonstration project to improve health care to "high risk" and "homeless" teenagers.

As part of the foregoing demonstration project, this bill also establishes an outreach program for homeless persons under twenty-one years of age.

Your Committee has amended this bill as follows:

- (1) Clarified that the demonstration project shall establish a community-based teenage health clinic with an outreach program;
- (2) Limited the project target group to "street youth", i.e., persons from thirteen through nineteen years of age who have no responsible adult supervision, and amended the bill wherever necessary to conform with this change in focus;
- (3) Defined "professional" to include a professional health care provider such as a physician, physician's assistant, counselor, social worker, nurse, or nurse-practitioner;
- (4) Clarified that the Director of Health shall determine the types of health services and pharmaceutical products that may be provided by the clinic, and expressly prohibited the performance of abortions at the clinic;
- (5) Deleted the provision requiring teenagers to submit a consent form which has been signed by the teenager and the teenager's parent in order to receive nonacute medical services or pharmaceutical products for a nonacute medical condition;
- (6) Provided immunity to any clinic professional for a determination made in good faith that:
  - (a) The teenager is capable of giving informed consent;
  - (b) The services or pharmaceutical products are clearly for the teenager's benefit; and
  - (c) The teenager is a street youth;
- (7) Clarified that the aforementioned immunity shall not extend to liability arising from negligence or malpractice on the part of the clinic professional in rendering professional service to the street youth;



- (8) Specified that while the clinic shall not be required to notify a street youth's parents of medical care and services provided, the clinic may, at the discretion of the clinic professional, disclose such information after consulting with the youth;
- (9) Deleted all provisions relating to fee schedules adopted for services;
- (10) Amended the target group of the outreach program to "street youth" rather than homeless persons under twenty-one years of age;
- (11) Deleted provisions delineating the types of services which may be provided by the outreach program;
- (12) Provided for the establishment and appointment of an advisory council for the project which shall advise the Director of Health and assist the Director in collecting project data; monitoring, assessing, and evaluating the effectiveness of the project; and developing program and policy needs in order to effectively carry out the purposes of the Act;
- (13) Reduced the appropriated sum to \$150,000;
- (14) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (15) Made technical, nonsubstantive amendments for the purposes of style and clarity.

And finally, your Committee finds that in order to promote accessibility of services to street youth, the project must:

- (1) Develop effective outreach strategies; and
- (2) Provide clinic services free-of-charge.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2649, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2649, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Shon, Souki, Amaral, Chang, Lee, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, B. Kobayashi, Levin, McMurdo and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 90 on H.B. No. 2876**

The purposes of this bill are to make additions and corrections to the controlled substance schedules which reflect additions made to federal law and place already scheduled drugs in the sections which are most appropriate to their chemical properties.

Upon reconsideration, your Committee has further amended this bill by correcting a typographical error found on page 15, line 12, item number 7, in Conference Draft 1. Your Committee amends "4-bromo-2,5-dimethoxy-amphetamine(4-bromo-" to read "4-bromo-2,5-dimethoxy-amphetamine(4-bromo-2,5-DMA)".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2876, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommends it pass Final Reading in the form attached hereto as H.B. No. 2876, H.D. 1, S.D. 1, C.D. 2.

Representatives Metcalf, Cachola, Okamura, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Levin, B. Kobayashi and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 91 on H.B. No. 2896**

The purpose of this bill is to clarify the basis for determining the revenue due to the Office of Hawaiian Affairs (OHA) for the betterment of the conditions of native Hawaiians under the provisions of the State Constitution and chapter 10, Hawaii Revised Statutes.

More specifically, the bill would:

- (1) Clarify which lands comprise the public land trust for native Hawaiians under chapter 10, Hawaii Revised Statutes;
- (2) Clarify what constitutes revenue derived from the public land trust which in turn forms the basis for determining the pro rata share of OHA;
- (3) Provide a process to determine the actual amounts payable to OHA under the clarified standards;

- (4) Provide a process for payment of sums to OHA consistent with restrictions and limitations under existing federal and state laws, rules, and regulations, and bond and contractual obligations;
- (5) Require the Department of Budget and Finance and OHA to determine the actual amount equivalent to twenty per cent of the revenue derived from the public land trust;
- (6) Require the Department of Land and Natural Resources, the Office of State Planning, and OHA to identify parcels of public land which may be conveyed to OHA as payment of moneys owed;
- (7) Appropriate \$7,200,000 for fiscal year 1990-1991 as the initial payment of moneys owed to OHA;
- (8) Appropriate \$500,000 for land surveys, public information meetings, transportation costs, and to otherwise carry out the purposes of the bill;
- (9) Require that all data relating to lands comprising the public land trust and the revenue derived therefrom be subject to review by an independent auditor selected by OHA; and
- (10) Require the Office of State Planning in cooperation with affected agencies to:
  - (A) Review existing policies on the utilization and disposition of lands in the public land trust;
  - (B) Evaluate the effect of existing policies on the revenue due to OHA; and
  - (C) Develop and assist in implementing policies to ensure OHA receives its revenue entitlement promptly.

Your Committee finds that this bill is an important first step in addressing the concerns and needs of native Hawaiians and Hawaiians. This bill clarifies what constitutes the public land trust and revenue derived therefrom allowing OHA to be in a position to significantly increase its efforts on behalf of native Hawaiians.

Your Committee notes that the proposed settlement is on behalf of native Hawaiians only and leaves open for future negotiations the question of entitlements for Hawaiians with less than fifty per cent Hawaiian blood and the question of establishing a separate trust fund to benefit all Hawaiians regardless of blood quantum. Your Committee also notes that this bill in no way replaces, affects, or impairs claims of native Hawaiians and Hawaiians to reparations from the federal government, including claims relating to lands now under federal control in Hawaii.

Your Committee has amended the bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements. Your Committee has also made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2896, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2896, H.D. 3, S.D. 2, C.D. 1.

Representatives D. Ige, Souki, Apo, Baker, Fukunaga, Tajiri and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Crozier, A. Kobayashi, Fernandes Salling, Hagino, Ikeda, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 92 on H.B. No. 2919 (Majority)**

The purpose of this bill is to amend certain laws relating to planning and community development to:

- (1) Facilitate the redevelopment of the Kakaako waterfront;
- (2) Enhance opportunities for more affordable housing through residential developments in Kakaako;
- (3) Expand the relocation program to assist in the relocation and re-establishment of small businesses displaced by the redevelopment of Kakaako; and
- (4) Facilitate the development of the Aloha Tower project and change the boundaries of the Aloha Tower complex area.

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

- (1) Added a new section 1, stating the reasons why and the amount and rate by which the appropriations contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) Amended section 1 by adding a provision to require that a portion of the original park area be maintained as part of the Kakaako Waterfront Park. This will ensure that a prime and substantial area of the original park will be maintained as a park.

- (3) Amended section 5 by establishing a prioritization of locations for the development of reserved housing within and outside of the Kakaako District. This amendment is intended to promote and encourage the development of reserved housing within Kakaako and in areas immediately surrounding the District and discourage development in outlying areas.
- (4) Authorized the Hawaii Community Development Authority (HCDA) to transfer fees collected from residential projects for the development of affordable housing to the Housing Finance and Development Corporation (HFDC). Such fees may be used by the HFDC or nonprofit organizations for the provision of affordable housing within or outside of the community development district. The purpose of this amendment is to enhance the ability of HCDA and the HFDC to maximize the number of affordable housing units with the same amount of funds. Generally, this will be accomplished by allowing the HCDA to satisfy the affordable housing requirement outside of the development district where development costs could be substantially lower. Additionally, the development guidelines for the redevelopment of Kakaako have been modified to be consistent with the aforementioned amendment which allows the fees to be used outside of the Kakaako District.
- (5) Added an amendment to require that the modified procedures for the review of Special Management Area permits and shoreline setback variances, as provided in section 5, be in effect for 10 years with an option for the legislature to repeal the amendment after 5 years through the adoption of a concurrent resolution. This will enable a legislative review of the effectiveness of the procedure.
- (6) Decreased the appropriation for the relocation program from \$5,000,000 to \$1,000,000. This amount is sufficient for one year.
- (6) Deleted section 11 which would allow the chief executive officer of the Aloha Tower Development Corporation to hire employees without regard to Chapters 76 and 77 of the Hawaii Revised Statutes. This amendment is not necessary at this time for the continued operation of the Aloha Tower Development Corporation.

Your Committee recognizes and reaffirms the original objectives of establishing the Kakaako Community Development District, in particular, the need to encourage a mixture of residents with varying incomes, ages and family groups. It is your Committee's desire that this bill cause minimal displacement of long-time residents of Kakaako and minimal disruption to their current life styles.

Additionally, it is the intent of your Committee in the implementation of the amendments which allow the development of affordable housing outside of the Kakaako District, that the Hawaii Community Development Authority (HCDA) continue its affordable housing efforts within Kakaako and that affordable housing may be developed in other areas of urban Honolulu whenever economically feasible.

To further address the critical need for affordable housing, it is also your Committee's intent that HCDA consider reviewing its current reserved housing in-lieu fee program. Based on current market conditions and since the current fee schedule was adopted five years ago, your Committee believes a review is appropriate at this time. While it is your Committee's desire that the HCDA continue its policy of requiring the reserved housing in the project, your Committee recognizes the need for the HCDA to be able to consider and accept alternatives to the reserved housing requirement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2919, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2919, H.D. 1, S.D. 2, C.D. 1.

Representatives Tom, Souki, Hagino, Apo, Fukunaga, Hiraki, Hirayama, Honda, D. Ige, Oshiro, Say, Tajiri, Anderson and Marumoto,  
Managers on the part of the House.  
(Representative Hiraki did not concur.)

Senators Yamasaki, Chang, Holt and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 93 on H.B. No. 2929**

The purpose of this bill is to fund specific repricing actions in the recommended compensation plan of the Executive Branch of the State of Hawaii. The specific actions to be funded are the repricing of all civil service secretary, private secretary, and school administrative services assistant classes.

Pay inequities were a long standing problem for the secretaries during the past 12 years; therefore, the bill seeks to fund the added cost of repricing action affecting secretaries.

While repricing actions are normally funded by the employing departments, this method of funding is not adequate given the number of employees affected. The added funds are essential to avoid serious repercussions in the employing departments.

Your Committee has amended this bill as follows:

- (1) Adding a section declaring that the appropriations contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$2,235,436, or 0.087 per cent and that such expenditure is necessary to serve the public interest and to comply with constitutional and statutory provisions; and

- (2) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2929, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2929, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Souki, Hirayama, Horita, Kanoho, Yoshimura and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 94 on H.B. No. 2904**

The purpose of this bill is to implement the Job Opportunities and Basic Skills (JOBS) program in the State of Hawaii. The establishment of this mandatory work program for certain recipients of Aid to Families with Dependent Children (AFDC), is required by federal law. Failure to implement this program may result in the State's loss of more than \$50 million in federal assistance relating to the AFDC program.

Your Committee on Conference has amended this bill as follows:

- (1) Clarified that the Department of Human Services shall place eligible participants, who are denied services due to lack of resources, on inactive status without penalty until the needed services are made available;
- (2) Clarified that the program may include, *inter alia*, remedial education and English proficiency to "prepare participants for jobs";
- (3) Deleted the section which would have repealed Part IX of Chapter 346, Hawaii Revised Statutes;
- (4) Deleted amendments to Section 346-53 (b) which would have increased the assistance allowance to seventy percent of the standard of need on July 1, 1990; and
- (5) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2904, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2904, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Fukunaga, Amaral, M. Ige, Peters, Tajiri and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, McMurdo, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 95 on H.B. No. 2932**

The purpose of this bill is to fund specific repricing for civil service adult corrections officer, youth corrections officer, registered professional nurse and anesthetist classes in the recommended compensation plan of the Executive Branch of the State of Hawaii.

While a substantial number of heavily populated classes were repriced during recent reviews, most departments would be unable to fund the increased payroll costs from existing appropriations without substantial delay in filling vacant positions or, conceivably, transferring funds from other program areas. Therefore, added funds are essential to avoid serious fiscal repercussions in the employing departments.

Your Committee has amended this bill as follows:

- (1) Adding a section declaring that the appropriations contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$2,857,732, or 0.11 per cent and that such expenditure is necessary to serve the public interest and to comply with constitutional and statutory provisions; and
- (2) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2932, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2932, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Fukunaga, Cachola, Horita, Leong, Tom and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 96 on H.B. No. 2057**

The purpose of this bill is to establish and attach the judiciary history center to the Office of Administrative Director of the Courts for administrative purposes.

Your Committee has amended this bill by adding a new Section 2 stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements. Subsequent sections have been renumbered as appropriate.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2057, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2057, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Taniguchi, Souki, Hagino, Hiraki and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Menor and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 97 on H.B. No. 2089**

The purpose of this bill is to allow inspection of adoption records by adoptees, adoptive parents, and natural parents upon request and upon certain conditions.

Your Committee has amended H.B. No. 2089, H.D. 1, S.D. 1, as follows:

- (1) Adding a new SECTION 1 stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements and renumbering subsequent sections as appropriate;
- (2) Adding a new SECTION 6 that appropriates funds necessary to serve the purposes of the Act;
- (3) Removing the option to choose lifetime confidentiality on page 6, lines 10 to 13;
- (4) Providing for the option to choose between lifetime confidentiality or ten-year confidentiality for a subsequent affidavit on page 8, lines 16 to 21;
- (5) Clarifying language that provides reciprocal rights to adoptees where natural parents request inspection of adoption records on page 9, lines 11 to 14. Your Committee does not intend to grant any rights to adoptive parents to object to inspection of records by the natural parents;
- (6) Reversing the order of subparagraphs (F) and (G) and making changes consistent with the intent to make the subparagraph on the effective period of an affidavit requesting confidentiality apply to lifetime affidavits as well as ten-year affidavits, and the intent to end the effective period of the affidavits on the last day of the period of the affidavit, the day the natural parent revokes the affidavit, or the day the natural parent dies, whichever occurs sooner;
- (7) Changing the period to file affidavits in subparagraph (B) on page 10, lines 11 to 17, to a period of ninety calendar days before the adoptee attains the age of eighteen, instead of sixty calendar days after the adoptee reaches eighteen, and added the option of filing a subsequent affidavit requesting lifetime confidentiality; and
- (8) Renumbering paragraphs (3) and (4) on page 9 as paragraphs (4) and (5), respectively, and making each paragraph applicable to all adoptions, regardless of date of occurrence. Paragraph (5) was renumbered as paragraph (3);
- (9) Substituting the words "affidavit requesting" for "request for" on page 11, line 10, for the purposes of consistency and clarity;
- (10) Allowing the family court to designate an "agent" or agency, not only an agency, in the event the notice by registered mail is undeliverable;
- (11) Requiring the family court and the designated agent or agency to send with the notice the request for inspection and copies of any accompanying letters, photographs or other documents filed in support of the request; and
- (12) Making technical changes to page 3, lines 2-4; page 5, lines 8-9; page 7, line 15; page 8, lines 9-21; and page 9, lines 9-10, for purposes of consistency, clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2089, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2089, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Andrews, Hagino and Anderson,  
Managers on the part of the House.

Senators Menor, Blair, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 98 on H.B. No. 2273**

The purpose of this bill is to appropriate funds to support the creation of a weekly half-hour news show produced by Hawaii Public Television focussing on issues and events in the Pacific region.

Your Committee on Conference has amended this bill by:

- (1) Deleting Section 2 which appropriated \$500,000 to be paid into the public broadcasting revolving fund and to be matched on a dollar-for-dollar basis;
- (2) Appropriating \$250,000 to be paid into the public broadcasting revolving fund;
- (3) Appropriating or authorizing the use of \$500,000 from the public broadcasting revolving fund to be used for the creation of a weekly news program and to be matched on a dollar-for-dollar basis;
- (4) Adding a new section stating the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit to comply with constitutional and statutory requirements; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2273, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2273, H.D. 2, S.D. 2, C.D. 1.

Representatives Taniguchi, Tom, Souki, Hirayama, Horita, Ihara, Takamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Fernandes Salling, Tungpalan and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 99 on H.B. No. 2546**

The purpose of this bill is to add a new part to Chapter 329, Hawaii Revised Statutes, relating to precursors to the manufacture of methamphetamine.

Your Committee on Conference has amended this bill by:

- (1) Changing the name of the substance on page 2, line 6 from N-methylephedrine to N-methylpseudoephedrine; and
- (2) Correcting the spelling of the substance on page 2, line 7 from Chloroedphedrine to Chloroephedrine.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2546, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2546, H.D. 1, S.D. 1, C.D. 2.

Representatives Arakaki, Metcalf, Amaral, Peters, Shon and Cavasso,  
Managers on the part of the House.

Senators Levin, Menor and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 100 on H.B. No. 2751**

The purpose of this bill is to make an appropriation to the Hawaii capital loan revolving fund and to establish an underground storage tank financial responsibility guarantee fund in the state treasury to be administered by the Department of Health (Department).

Your Committee finds that it is essential that the State encourage all practical means to control or eliminate pollution hazards posed by leaking petroleum underground storage tanks.

Following its deliberations on this measure, your Committee has amended this bill by:

- (1) Eliminating the upper and lower limits placed on the financial responsibility guarantee fund, and authorizing the Director of the Department of Health (Director) to suspend the collection of funds based on actuarial and environmental considerations;
- (2) Authorizing the Director to increase or decrease the \$200 tank fee based on actuarial need;

- (3) Eliminating the provision relating to the liability of a certified person and the proposed section relating to the authorized uses of the fund;
- (4) Requiring the Department to submit a report to the Legislature of an actuarially sound financial guarantee program and requiring the Department to present other insurance or guarantee programs as alternatives;
- (5) Eliminating references to certain administrative details regarding the financial responsibility guarantee program;
- (6) Authorizing the Department to use the fund for the purpose of conducting the actuarial studies; and
- (7) Deleting the sums appropriated to the Hawaii capital loan fund and the underground storage tank financial responsibility guarantee fund.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2751, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2751, H.D. 2, S.D. 2, C.D. 1.

Representatives Andrews, Souki, Baker, Honda, Kanohe, Lee and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Ikeda, Matsuura, Solomon and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 101 on S.B. No. 2252**

The purpose of this bill is to:

- (1) Amend section 155-9, Hawaii Revised Statutes (HRS), by raising the limits on agricultural loans from \$100,000 to \$400,000 for farm ownership and improvement loans (class "A") and farm operating loans (class "C"); and
- (2) Amend section 155-11(c), HRS, to provide that no farm ownership and improvement (class "A") loan shall exceed eighty percent of the value of the security offered.

Your Committee upon further consideration has amended the bill by changing the language which amends section 155-11(c) to require that no farm ownership or improvement (class "A") loan shall exceed eighty-five percent of the value of the security offered, rather than the original proposal of eighty percent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2252, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2252, S.D. 2, H.D. 1, C.D. 1.

Representatives Honda, Fukunaga, Bellinger, M. Ige, Isbell, Lee and Hemmings,  
Managers on the part of the House.

Senators Yamasaki, Ikeda and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 102 on S.B. No. 2482**

The purpose of this bill is to strengthen the current plant and non-domestic animal quarantine law by inserting language which is more readily lucid and by making technical, nonsubstantive amendments.

Additionally, the bill adds a new section to chapter 150A, Hawaii Revised Statutes (HRS), which provides the Board of Agriculture with the authority to recommend additions, deletions, and revisions to the list of plants, animals, and microorganisms enumerated in section 150A-6, HRS.

Your Committee upon further consideration has amended the bill by:

- (1) Deleting SECTION 1 of the bill which adds a new section to chapter 150A, HRS;
- (2) Reinstating (5) in section 150A-6, HRS, and adding language which allows the Board of Agriculture to maintain and amend lists of prohibited, conditionally approved, or restricted animals, plants, and microorganisms; and
- (3) Removing transportation companies from the class C felony penalty provision for repeat offenders.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2482, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2482, S.D. 1, H.D. 2, C.D. 1.

Representatives Honda, Bybee, Shon, Metcalf and O'Kieffe,  
Managers on the part of the House.



Senators Ikeda, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 103 on S.B. No. 3094**

The purpose of this bill is to amend chapter 201E, Hawaii Revised Statutes, relating to the Housing Finance and Development Corporation (HFDC), to:

- (1) Clarify the procedures to be used by the HFDC in exercising its first option to purchase an affordable housing unit within the first ten years after the original sale of the unit when the purchaser wishes to sell the unit (the ten year buy-back period) and the amount to be paid to the purchaser upon the HFDC exercising its option, consistent with the procedures and guidelines currently used by the HFDC and the counties;
- (2) Clarify the sum to be paid to the HFDC by the original purchaser upon the resale of an affordable housing unit after the ten year buy-back period;
- (3) Provide for a discretionary rather than an automatic waiver of the ten year buy-back period for affordable housing units financed under federally subsidized mortgage programs, such as the Farmers Home Administration loan program, as well as discretionary waiver of the requirement that affordable housing units be resold only to qualified residents and the requirement that the original purchaser repay certain sums to the HFDC upon resale of an affordable housing unit;
- (4) Require that a "qualified resident" for purposes of purchasing or leasing affordable housing units or for purposes of the preference in purchasing market-priced housing units be a "domiciliary" of the State, rather than merely a "bona fide resident" of the State;
- (5) Eliminate from the definition of "qualified resident," any person who is living apart from the person's spouse and whose spouse (or the person and spouse jointly) owns fee simple or leasehold lands suitable for dwelling purposes or has pending an unrefused application to purchase a dwelling unit from the HFDC;
- (6) Require that, both during and after the ten-year buy-back period, affordable housing units be resold only to "qualified residents";
- (7) Require that purchasers of affordable housing units reside in the units at all times both during the ten year buy-back period and thereafter;
- (8) Require that preference in purchasing market-priced units in economically integrated housing projects be given to "qualified residents," i.e. persons who are U.S. citizens or resident aliens domiciled in the State and meet other qualifications determined by the developer, while authorizing the sale or lease of market-priced housing units to persons who are not U.S. citizens or resident aliens domiciled in the State, where there is an insufficient number of qualified residents;
- (9) Provide that, except as otherwise determined by the developer, a purchaser of a market-priced unit is not subject to:
  - (a) the ten year buy-back period (during which the HFDC is given a first option to purchase the unit);
  - (b) the requirement that the unit be resold only to "qualified residents," but is subject to a requirement that preference be given to "qualified residents" in any resale;
  - (c) the requirement that the purchaser reside in the unit; and
  - (d) the requirement that the purchaser not own other fee simple or leasehold lands suitable for dwelling purposes or have pending any other unrefused application for the purchase of a housing unit sponsored by the HFDC; and
- (10) Clarify that prices for the sale or for the lease or rental of market-priced units are not subject to the cost limitation imposed by section 201E-220, except as otherwise determined by the developer;

Your Committee finds that it is essential to curtail speculation in affordable housing units sponsored by the State and counties and to give other qualified residents an opportunity to purchase the units at reasonable prices when the original purchaser of the affordable housing unit decides to sell and move elsewhere. Your Committee agrees that preferential status must be given to persons who are U.S. citizens or resident aliens domiciled in this State in the sale of market-priced units, and expects the HFDC to ensure proper implementation of this requirement. At the same time, your Committee finds that it is inappropriate and impractical to impose a strict requirement that purchasers of market-priced housing units be U.S. citizens or resident aliens domiciled in the State since there may be an insufficient number of qualified residents interested in the market-priced units, or to impose owner-occupancy, buy-back, or other restrictions on these purchasers, who receive no government subsidies and are in fact subsidizing the construction of affordable units.

Your Committee notes that the amendments made by SECTION 3 of the bill to Section 201E-220, Hawaii Revised Statutes, are intended to exempt market-priced units from rules normally applicable to affordable housing, but are not intended to authorize the HFDC to make loans to purchasers of market-priced units under Section 201E-220(b). Your Committee further notes that the amendments made by this bill are not intended to be retroactive, i.e. persons who have purchased or made commitments or agreements to purchase housing units prior to the effective date of this bill are not required to abide by the new conditions provided for in the bill nor are they relieved from any requirements imposed by

law, contract, or otherwise when they originally purchased the units, except as otherwise permitted by law or rules adopted by the HFDC.

Your Committee upon further consideration has made the following amendments to S.B. No. 3094, S.D. 1, H.D. 2:

- (1) Retained within the current definition of "qualified resident" in Section 201E-2, Hawaii Revised Statutes, a person who is living apart from the person's spouse under a valid decree of separation issued by the family court and whose spouse (or the person and spouse jointly) owns fee simple or leasehold lands suitable for dwelling purposes or has pending an unrefused application to purchase a dwelling unit from the HFDC. This is consistent with section 580-75, Hawaii Revised Statutes, which in the case of an official separation accords the husband and wife the status of unmarried persons;
- (2) Provide that the rate of interest to be paid to the HFDC on the deferred sales price, if any, of an affordable housing unit shall be seven per cent per annum, rather than an unspecified interest rate; and
- (3) Minor technical amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3094, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3094, S.D. 1, H.D. 2, C.D. 1.

Representatives Hayes, Fukunaga, Chang, Isbell, M. Ige, Shon and Marumoto,  
Managers on the part of the House.

Senators Crozier, Cobb and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 104 on S.B. No. 2223**

The purpose of this bill is to modify the list of minimum sizes of various seafood items to:

- (1) Make it unlawful for any commercial marine dealer (rather than "peddlers") to have in the dealer's possession, any:
  - (A) Ahi less than three pounds in weight; or
  - (B) Onaga or octopus less than one pound in weight; and
- (2) Allow the dealers to possess squid and ulaula less than one pound in weight.

Your Committee has amended this bill by limiting its effects to making it unlawful for any peddler or dealer in fish to have in the peddler's or dealer's possession, any ahi less than three pounds in weight.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2223, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2223, S.D. 1, H.D. 2, C.D. 1.

Representatives Bunda, Metcalf, Isbell, Kanoho, Yoshimura and O'Kieffe,  
Managers on the part of the House.

Senators Matsuura, Ikeda and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 105 on S.B. No. 46**

The purpose of this bill is to increase the maximum towing charges for vehicles left unattended on public and private property to \$40 a tow and \$50 a tow when using a dolly.

Currently, the respective charges for towing services are \$25 a tow and \$37.50 a tow when a dolly is used. These charges were established in 1976 and have not been altered to reflect rising operating costs.

Your Committee, upon further consideration, has amended the bill by amending the towing charge amounts to \$35 a tow and \$40 a tow when a dolly is used.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 46, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 46, S.D. 1, H.D. 1, C.D. 1.

Representatives Oshiro, Souki, Horita, Baker, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Fernandes Salling, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 106 on S.B. No. 3399**

The purpose of this bill is to restrict the operation of motor vehicle sound amplification systems at an excessively loud level.

Specifically, the bill:

- (1) Defines the offense of excessively loud operation of a motor vehicle sound amplification system as being audible to the human ear at a distance of sixty feet from the vehicle in a residential area, or upon any highway;
- (2) Provides it is a violation for the operation of a motor vehicle sound amplification system at an excessively loud level;
- (3) Provides it is a petty misdemeanor if the person either operates a sound system at an excessive noise level with the intent to cause serious inconvenience or substantial harm, or if the person persists after being duly warned by a police officer; and
- (4) Establishes exemptions from the provisions of the bill for police, emergency, or properly authorized vehicles.

Upon further consideration your Committee has amended the bill by adding that a person can only be charged a maximum of \$250 if found in violation of this section. Additionally, your Committee has made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3399, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3399, S.D. 1, H.D. 2, C.D. 1.

Representatives Oshiro, Shon, Metcalf, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Fernandes Salling, Ikeda and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 107 on S.B. No. 3454**

The purpose of this bill is to extend the demonstration project which allows off-hour roadwork on Interstate H-1 between the Kapiolani and Kahauiki interchanges until June 30, 1991.

The Interstate H-1 is a heavily traveled traffic corridor and any road construction, repair, or maintenance work results in traffic congestion. Act 255, Session Laws of Hawaii 1989, established a pilot project which allowed off-hour roadwork to be done on the Interstate H-1 between the Kapiolani and Kahauiki interchanges until June 30, 1990. Your Committee finds that this project should be extended to further examine the effects of off-hour roadwork on the Interstate H-1.

Your Committee upon further consideration has amended the bill by amending section 3 of Act 255, Session Laws of Hawaii 1989, to include that the Director of Transportation shall submit a status report before the convening of the 1991 Legislative Session and a final report before the convening of the 1992 Legislative Session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3454, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3454, S.D. 1, H.D. 1, C.D. 1.

Representatives Oshiro, Bybee, Baker, Hirayama and Anderson,  
Managers on the part of the House.

Senators Fernandes Salling, Mizuguchi, Nakasato and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 108 on S.B. No. 2122**

The purpose of this bill is to implement the recommendations of the Legislative Auditor in the report entitled: "Sunset Evaluation Report, Regulation of Tattoo Artists, Electrologists and Sanitarians."

This bill creates two new parts to chapter 321, Hawaii Revised Statutes, establishing licensing requirements and the regulation of: (1) electrologists by the Department of Commerce and Consumer Affairs; and (2) tattoo artists by the Department of Health. In addition, the bill includes the new regulatory groups in the sunset review schedule and clarifies the subjects of health regulations to include electrologist shops.

Your Committee has amended this bill by amending the regulation of tattoo artists to:

- (1) Authorize the Department of Health to adopt rules regulating the use of topical anesthetics and allowing registered nurses licensed under chapter 457 to administer injections. While your Committee believes that it is appropriate to give the Department broad discretion in the area of topical anesthetics, it also notes that it has been informed that Lidocaine, if sterile and if it does not contain preservatives, can safely be used as a topical

anesthetic by unlicensed but experienced personnel, and urges the Department to consider such an approach in its rules;

- (2) Delete the requirement that examination standards meet nationally established standards for validity, reliability, and fair administration, because it is unclear whether such standards exist;
- (3) Delete the limitation that the licensure examination must be a written examination only; and
- (4) Allow a tattoo artist who is under the general supervision of a licensed physician to apply facial tattoos.

In addition, your Committee extended the regulation of sanitarians to December 31, 1992, and made several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2122, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2122, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Shon, Cachola, Andrews, Amaral and Cavasso,  
Managers on the part of the House.

Senators Levin, Blair, B. Kobayashi and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 109 on S.B. No. 2169**

The purpose of this bill is to require establishments that sell intoxicating liquor to post point-of-purchase signs warning of the dangers of drinking alcoholic beverages during pregnancy.

The bill also allows this warning sign to be combined with other statutorily required notices relating to intoxicating liquor, and authorizes the Department of Health, the agency charged with protecting public health and safety, to approve such a combined notice.

It has been well documented that consumption of alcohol by pregnant women can cause birth defects in their babies, defects that may be manifested throughout the child's life. Women who consume large quantities of alcohol during pregnancy may give birth to babies with Fetal Alcohol Syndrome (FAS). The syndrome is a cluster of congenital defects including mental retardation, curvature of the spine, and facial abnormalities. Even consumption of small amounts of alcohol can lead to Fetal Alcohol Effect (FAE), where children may suffer from insomnia and chronic psychological-adjustment problems.

The federal Anti-Drug Abuse Act of 1988 (Public Law 100-690), which took effect on November 18, 1989, requires a specific health warning statement to appear on the labels of all containers of alcoholic beverages sold in the United States. Inasmuch as the federal law may provide some notice to pregnant mothers, your Committee finds that further warning is warranted.

Due to the concern over FAS, a grant was provided by the National Institute on Alcohol Abuse and Alcoholism to study FAS. The study concluded that:

1. Ninety-six percent of the women who gave birth in the study area during the three-month period had seen messages about the dangers of drinking during pregnancy.
2. Fifty-nine percent of the women reported that they had consumed some alcohol during their pregnancy, although over sixty percent of those who did, did so extremely rarely.

Michael J. Minor and Bernice Van Dort in their treatise Prevention Research on the Teratogenic Effects of Alcohol found that of 2083 people surveyed, "twenty-two percent thought that pregnant women should abstain from drinking alcohol on a special occasion." This fact suggests that seventy-eight percent of those surveyed thought that occasional drinking by pregnant women was all right. It is not; FAE is evidence of that. This bill would serve to buttress the federal law to ensure proper notification to pregnant women and the general public.

Your Committee finds that the county liquor commissions are charged with regulating the sale of intoxicating liquor and the regulation of signs warning of the penalties of driving under the influence of intoxicating liquor. Therefore, your Committee believes that it would be more appropriate for the liquor commission to regulate the warning sign proposed in this bill, and has amended the measure accordingly.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2169, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2169, H.D. 1, C.D. 1.

Representatives Shon, Hirono, Hiraki, Amaral, Ihara and Cavasso,  
Managers on the part of the House.

Senators Levin, B. Kobayashi and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 110 on S.B. No. 2318**

The purpose of this bill is to include the illegal distribution of steroids as an offense subject to the forfeiture provisions of the penal code.

Your Committee finds that the previous inclusion of steroids in chapter 329 created penalty provisions for the illegal distribution of steroids, but did not identify or list steroids in any controlled substance schedule. Therefore, the offense is technically outside the forfeiture provisions that exist for offenses involving other drugs listed under chapter 329. This bill corrects that problem.

Your Committee has amended this bill by adding language to clarify the effective date of the bill relative to the repeal of Act 260, Session Laws of Hawaii 1988.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2318, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2318, S.D. 1, H.D. 1, C.D. 1.

Representatives Shon, Metcalf, Hagino, Hiraki, M. Ige and Liu,  
Managers on the part of the House.

Senators Levin, Menor and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 111 on S.B. No. 3111**

The purpose of this bill is to authorize the use of Waimano Training School and Hospital for respite care.

This bill makes respite care available to eligible individuals with developmental disabilities for whom respite care in community settings is unavailable, and limits care to thirty calendar days per client per year. In addition, respite care at Waimano will not be considered an admission or re-admission to the institution.

It is anticipated that about eighty individuals will be deinstitutionalized or diverted from institutionalization within the next two years. This will have a great impact on the already limited number of spaces available for respite care. However, it is the intent of your Committee that Waimano Training School and Hospital be used for respite care only as a last resort, and only as long as the existing staff is able to serve clients effectively and adequate bed space is available.

Your Committee has amended this bill by reinserting the sunset clause to repeal this measure on June 30, 1995.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3111, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3111, S.D. 1, H.D. 1, C.D. 1.

Representatives Shon, Amaral, M. Ige, Chang, Leong and Cavasso,  
Managers on the part of the House.

Senators Levin, B. Kobayashi and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 112 on S.B. No. 422**

The purpose of this bill is to create a new chapter entitled Gold and Silver Stamping which would provide a standard for the fineness of gold and silver products and a scheme for enforcement.

Your Committee has found that unscrupulous persons or firms have been manufacturing in Hawaii or importing into Hawaii gold and silver items that are improperly marked to overstate the precious metal content. Sales of such items are deceptive and mislead consumers into purchasing items believed to be of higher value than they actually are. The publicity and sales of such items have eroded the public's confidence in jewelry items sold in Hawaii. The public has no practical way of knowing if an item is mismarked or underkarated and no way of checking the manufacturer's reputation if the item does not have a trademark.

Moreover, the selling of underkarated items creates an unfair competitive advantage as against legitimate dealers selling legitimate items.

The purpose of this bill is to create: definitions and standards for precious metal content, a trademarking requirement when items are stamped with "14K," "sterling," or any other marking or label which makes a representation as to the precious metal content, and criminal and civil remedies to enforce these standards and requirements.

The Department of Commerce and Consumer Affairs testified in support of this bill and stated that the private right of action on the part of industry associations and criminal liability for violation of these provisions would provide an effective means of enforcing compliance. Therefore, the Department did not feel that there would be a need for an agency of the Executive Branch to be involved in enforcing compliance of this bill.

The Board of Agriculture testified in support of this bill. Testimony in support of this bill was presented by a manufacturer and wholesaler of jewelry, the Hawaii Jewelers Association and a retail jeweler.

Your Committee has amended this bill as follows:

- (1) Deleted the definition of "Department."
- (2) Deleted the definition of "Jewelry trade association."
- (3) Added a definition of "person."
- (4) Added "enclose" to definition of "Stamped."
- (5) Amended the definition of "Trademark" to delete reference to the department of commerce and consumer affairs.
- (6) Added the words "of or in wholesale or retail" to "manufacturer or dealer" under § -2.
- (7) Added the words "or designed or intended to indicate" to "any mark or word indicating" under § -2.
- (8) Added the words "or any colorable imitation thereof" to "sterling silver" under § -4(b), and to "coin silver" under § -4(c).
- (9) Added the words "or applied for registration" to "registered under the laws of the United States" under § -6.
- (10) Added subsection (b) under § -7 to provide for a class C felony offense for knowingly violating sections -3, -4, or -5.
- (11) Changed the violation of trademarking for the first offense to a misdemeanor and to a class C felony for subsequent offenses.
- (12) Clarified when seizure of contraband and forfeiture can occur under § -9.
- (13) Added a reference to Chapter 712A, Hawaii Revised Statutes, under § -9.
- (14) Redrafted § -10 to provide for injunctive relief and suits to be brought directly by certain persons and allows damages to be recovered. This is enabling legislation to establish a private right of action. Also provides for remedies, including punitive damages, against frivolous suits.
- (15) Deleted the 5 year delay effective date for retailers to purge their inventories of untrademarked articles manufactured before the effective date of this Act.

Your Committee finds that consumers are being deceived by the mismarking and underkarating of jewelry. Your Committee believes that S.B. No. 422, S.D. 1, H.D. 1, C.D. 1, is a positive step to address these problems.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 422, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 422, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Amaral, Hagino, Hiraki and Anderson,  
Managers on the part of the House.

Senators Blair, Menor, Crozier and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 113 on S.B. No. 2174**

The purpose of this bill is to allow judges the discretion to impose community service work in lieu of the current statutory fines for conviction for not having a no-fault motor vehicle policy.

Your Committee finds that under the current law courts have found that the mandatory imposition of a stiff fine causes inequities in some cases which are of concern to judges. Your Committee believes that allowing the judges the discretion to impose community service hours in lieu of statutory fines still comports with the intent of the law, to sanction those who drive without no-fault insurance. Therefore, your Committee has accepted the schedule to allow judges to grant community service in lieu of a fine. Further your Committee believes that a three month suspension of a driver's license is sufficient.

Because of the recent Hawaii Supreme Court decision in State vs. Palpallatoc which requires an affirmative duty on the part of a motor vehicle borrower to ask whether or not the vehicle is insured before borrowing it, the House had added clarifying language of a good faith defense for drivers of borrowed motor vehicles. The language was added to specifically address the intent of the Legislature to allow for the defense of lack of knowledge of insurance and not require the duty imposed in the Palpallatoc case.

On the other hand, there may be instances in which a person borrowing a vehicle should affirmatively ascertain whether it is insured. Therefore, your Committee has amended this bill to address the issues raised in the recent Palpallatoc case, by adding a provision to Section 431:10C-117(a), which creates a standard for determining when a borrower of a vehicle is not subject to the penalties provided therein. Specifically, if a borrower of a vehicle holds a reasonable belief that it is insured, he has no duty to affirmatively ascertain whether the motor vehicle is insured. Thus, the fact that the borrower of the vehicle does not inquire as to whether or not the vehicle is insured, should not of itself, subject the borrower to the

penalties in the law. A court may determine on a case-by-case basis whether a person's failure to ascertain coverage was reasonable under the circumstances.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2174, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2174, S.D. 2, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Hagino, Hiraki and Anderson,  
Managers on the part of the House.

Senators Menor, Blair, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 114 on S.B. No. 2307**

The purpose of this bill is to provide for a uniform procedure for substance abuse testing to ensure that privacy rights are protected and that reliable and accurate test results are achieved.

Upon further consideration, your Committee on Conference has amended this bill to redefine the role of the medical review officer in the testing program and to refine the confidentiality provisions. More specifically, the bill was amended as follows:

- (1) A definition for "medical review officer" was added to ensure that the individual has knowledge of substance abuse disorders and toxicology.
- (2) The definition of "positive test result" was amended to specify that it is a finding that is made through confirmatory testing of the presence of drugs, alcohol, or drug metabolites.
- (3) The definition of "substance abuse test" was amended to exclude the references to breath and blood alcohol tests.
- (4) A definition for "third party" was added.
- (5) Section 3 was amended to: exempt a third party from the requirements under this bill if the party is covered by drug testing regulations of the state department of transportation, the United States Department of Transportation, or other federal agency; require a third party to pay all costs, including confirmatory testing costs; and clarify that the administration of breath tests to determine alcohol content in a tested individual's blood is not precluded.
- (6) Section 4 was amended to: exempt from this bill, testing pursuant to subpart c of the Mandatory Guidelines for Federal Workplace Drug Testing Programs; require out-of-state laboratories to be licensed by the respective state in accordance with standards comparable to the standards of this bill; prohibit the department of health from licensing an out-of-state laboratory to perform substance abuse testing; and require the Director of Health to adopt rules regarding the selection of medical review officers, the use of specified equipment for confirmatory tests, and procedures to ensure confidentiality of the testing procedures and information.
- (7) The section regarding the medical review officer was deleted.
- (8) Section 6 was renumbered to section 5 and was rewritten to require that an individual be provided with a written statement of the substances to be tested for and a medication disclosure form prior to specimen collection and to authorize the Director of Health to adopt rules regarding the qualifications of the medical review officer, the use of medication disclosure forms, transmittal of test results, and handling of testing information.
- (9) Section 7 was renumbered to section 6 and rewritten to further clarify the requirements of the laboratory report, tighten the confidentiality provision, and add a provision invalidating a test result when the procedures in this bill are not followed.

Your Committee notes that the Chamber of Commerce of Hawaii expressed opposition to any provision which would impose penalties upon third parties and provide for reasonable court costs and attorney's fees. The Chamber expressed concern that such a provision would have a chilling effect upon workplace substance abuse testing in Hawaii because of the likelihood of costly litigation against employers who are attempting to comply with the law in good faith. While appreciating and being sensitive to such concerns, your Committee must emphasize that such a provision would only apply to "knowing" violations thereof. In this regard, it should be made clear that it is not the intent of your Committee to penalize employers who are making a good faith attempt to comply with the law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2307, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2307, S.D. 2, H.D. 2, C.D. 1.

Representatives Shon, Metcalf, Duldulao, Hagino, Kawakami and Liu,  
Managers on the part of the House.



Senators Menor, Aki, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 115 on S.B. No. 2432**

The purpose of this bill is to establish a representative payee service in the Department of Health (Department) for mentally ill persons and persons suffering from substance abuse.

A representative payee service provides assistance to people who are unable to manage their personal finances. Your Committee finds that mentally ill persons and persons suffering from substance abuse are often unable to exercise prudent financial judgment and would benefit from a representative payee service. Additionally, mentally ill persons are more likely to utilize psychiatric or medical services if their financial resources are properly managed.

The bill directs the Department to consider developing representative payee services on the neighbor islands and making these services available to care home residents and homeless persons. The Department is also required to consider appropriate training for representative payees, and develop an inter-agency agreement with the Department of Human Services for the purposes of this bill.

Your Committee has amended the bill by:

- (1) Establishing a representative payee service in chapter 334, Hawaii Revised Statutes, instead of the Session Laws of Hawaii;
- (2) Adding the criterion that the Department consider the "development of due process procedures to protect the rights of mentally ill persons and persons suffering from substance abuse" in developing a representative payee service; and
- (3) Making technical amendments that have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2432, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2432, S.D. 1, H.D. 1, C.D. 1.

Representatives Shon, Souki, Isbell, Tajiri and Marumoto,  
Managers on the part of the House.

Senators Menor, B. Kobayashi, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 116 on S.B. No. 3018**

The purpose of this bill is to improve the administrative procedures for child support orders under Chapter 576E, Hawaii Revised Statutes.

Your Committee has amended S.B. No. 3018, S.D. 1, H.D. 1, as follows:

- (1) Added a new subsection (d) to Chapter 576E relating to interstate request for income withholding to explicitly provide that enforcement of a support order may also include child support arrearages and reimbursement to Aid to Families with Dependent Children moneys;
- (2) Amended the new section to Chapter 576E relating to willful violations by providing that unless otherwise provided therein, any person who knowingly, intentionally or willfully violates any section of the chapter shall be guilty of a petty misdemeanor;
- (3) Deleted the new section to Chapter 576E relating to a biennial audit by the legislative auditor;
- (4) Amended Section 571-52.2 to make it clear that it is unlawful for any employer to fail to comply with its requirements;
- (5) Made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. 3018, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3019, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Hagino, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Menor, Blair, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 117 on S.B. No. 1398**

The purpose of this bill is to require all health insurance policies issued in this State, with the exception of policies which are intended to cover specific diseases or are otherwise limited, to include coverage for a minimum schedule of mammographic screenings.

Women ages thirty-five to thirty-nine will be covered for one baseline mammogram, while women ages forty to forty-nine will be entitled to one screening every two years. Women age fifty or older will be covered for an annual mammogram, and any woman with a history of breast cancer or whose mother or sister has had a history of breast cancer will be covered for as many screenings as are recommended by the woman's physician.

In the United States, breast cancer is the most common form of cancer in women and the second most lethal. However, mammogram screenings when properly performed on a regular schedule, in combination with physical breast examinations, can detect the cancer in its earliest stages and significantly reduce the mortality rate of the disease. Therefore, your Committee finds that requiring health insurers to provide coverage for mammogram screenings will significantly improve the health of the female population of this State.

Your Committee has amended this bill by clarifying that if an insurer contracts with another provider to provide mammogram screening services, the contract must meet the approval of the Director of Health. Your Committee has also made a technical change which has no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1398, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1398, S.D. 1, H.D. 2, C.D. 1.

Representatives Shon, Hirono, Amaral, Hayes, Kawakami and Liu,  
Managers on the part of the House.

Senators Blair, Ikeda, A. Kobayashi and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 118 on S.B. No. 2435**

The purpose of this bill is to limit the aggregate benefits payable to a commercial motor vehicle driver injured in a work-related accident to the person's average net earnings less federal and state taxes and F.I.C.A, if the person's employer provides both workers' compensation and no-fault benefits.

Current law allows payment of up to eighty percent of the claimant's gross monthly income.

Your Committee finds that the eighty percent figure was intended to approximate an injured party's net income, but in most cases actually exceeds it. The formula proposed in this measure accomplishes the intent of the law as originally enacted and provides an equitable standard of remuneration for injured commercial drivers.

Your Committee has amended this bill by making a nonsubstantive technical change for the purpose of conformance with recommended drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2435, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2435, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Hagino, Hiraki, Metcalf and Anderson,  
Managers on the part of the House.

Senators Blair, Ikeda, A. Kobayashi, Nakasato and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 119 on S.B. No. 3295**

The purpose of this bill is to clarify that discrimination in real property transactions on the basis of a person's handicapped status is illegal in every kind of transaction covered by chapter 515, Hawaii Revised Statutes.

The bill also clarifies that it is not illegal to discriminate on the basis of parental status with regard to housing for older persons, as defined by 42 U.S.C. section 3607(b)(2).

"Handicapped status" is defined as the "state of having a physical or mental impairment which substantially limits one or more major life activities, having a record of such an impairment, or being regarded as having such an impairment."

"Handicapped status" is currently termed "physical handicap" in chapter 515, without any details or parameters. Your Committee finds that term to be too ambiguous and imprecise to achieve the full extent of the protection your Committee wishes to extend to the people of Hawaii through the provisions of chapter 515. This bill will allow the Department of Commerce and Consumer Affairs to more effectively enforce the rights of handicapped persons in real property transactions.

Your Committee has amended this bill by clarifying that the term "handicapped status" does not include alcohol or drug abuse that impairs a person's activities or threatens the property or safety of others, and by making the bill

retroactive to June 27, 1989. Your Committee has also made several nonsubstantive technical changes for the purposes of clarity and conformance with recommended drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3295, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3295, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Amaral, Hiraki and Anderson,  
Managers on the part of the House.

Senators Blair, Chang and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 120 on S.B. No. 2117**

The purpose of this bill is to reorganize the schedule of sunset evaluations provided in section 26H-4, Hawaii Revised Statutes, and add solicitors in the business of taking orders (chapter 468) to the review cycle.

Currently, professions and occupations which are subject to state regulation under chapter 26H are scheduled to be reviewed by the Legislative Auditor every seven years, necessitating as many as ten reviews in a single legislative interim. This bill would spread out the reviews over a ten year period, thus enabling the Auditor to thoroughly examine each of Hawaii's regulated professions and vocations without borrowing critical time from other important duties placed in that office.

Your Committee has amended this bill by changing the repeal date of the Board of Massage, chapter 452, from December 31, 1997 to December 31, 1993. Your Committee has also deleted the December 31, 1996 repeal date for the statutory sections regulating electrologists. A new chapter on electrologists is scheduled for repeal on December 31, 2000, in conformance with the ten year cycle.

Your Committee has further amended this bill by allowing the Board of Acupuncture an additional two years - until the 1999 Regular Session - to develop standards for publicly characterizing and differentiating between academically and medically trained acupuncturists.

Your Committee wishes to emphasize that the decision not to include attorneys in the regulatory cycle is intended to give the new "unified bar" an opportunity to become established and propose its own improvements to the current regulatory environment. It is not the intention of your Committee to imply an opinion or finding that inclusion of attorneys in the regulatory cycle would be inappropriate.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2117, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2117, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Hiraki, Oshiro, Takamine and Anderson,  
Managers on the part of the House.

Senators Blair, Cobb and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 121 on S.B. No. 2119**

The purpose of this bill is to require unaccredited educational institutions to register with the Department of Commerce and Consumer Affairs, disclose their lack of accreditation in advertising, catalogs, and instructional contracts, and refrain from using any reference to the State or its employees in connection with selling, advertising, or promoting products or services.

In addition, the bill requires all such institutions to keep true and accurate records of student enrollment, courses, fees, and matriculation rates, and produce them on demand.

Your Committee finds that consumers shopping for educational services have a right to full and accurate information about any institution that competes in the educational marketplace. This bill, by requiring unaccredited educational institutions to identify themselves as such and be accountable for their activities, will help prospective students make informed decisions regarding choice of school and curriculum.

Your Committee has amended this bill by clarifying that unaccredited educational institutions are prohibited from referring to their registration with the Department of Commerce and Consumer Affairs, their compliance with the requirements of chapter 446E, Hawaii Revised Statutes, or to any agency or employee of the State in a manner which suggests that the State licenses, approves, or regulates their operations.

Your Committee has also amended this bill by making a technical change which has no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2119, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2119, S.D. 1, H.D. 1, C.D. 1.

Representatives Taniguchi, Hirono, Hiraki, Takamine and Anderson,  
Managers on the part of the House.

Senators Blair, Hagino and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 122 on S.B. No. 2314**

The purpose of this bill is to strengthen and clarify the laws regulating the advertising of massage services.

The bill also deletes out-call massage services from the statutes on the basis that massage therapy licensees are already privileged to deliver massage therapy services at locations other than their places of business.

Relating to advertising, the bill seeks to ensure honesty in representations of services offered and to prohibit advertising practices which would mislead the public or which imply special techniques or services which are not actually available or are not permitted by state law or rule. The bill specifically prohibits:

- (1) Advertising as a massage therapist or massage establishment without the appropriate license;
- (2) Combining advertisements for licensed massage services with escort or dating services;
- (3) Advertising the performance of massage in a form in which the person is not trained;
- (4) Using pictures depicting the human form;
- (5) Using terms other than "therapeutic massage" or "massage therapy" to advertise the service; and
- (6) Advertising personal qualities of the practitioner.

The bill further clarifies the term "advertise" as it applies to the massage therapy profession; clarifies the kinds of information which must be included in an advertisement for massage; specifies the obligations of advertising media in accepting and publishing massage advertisements; exempts publishers and producers from liability for refusing to run false advertisements; and provides for the termination of the telephone service of a massage therapist or massage establishment which has falsely advertised.

Your Committee finds that although massage is a skilled profession with a long and honorable tradition in Hawaii and throughout the world, it remains susceptible to abuse or misunderstanding when advertised in manners designed to deceive the customer or cater to prurient interests. Your Committee also finds that this bill will enable effective enforcement of the laws and rules governing massage, thus protecting legitimate practitioners and the consuming public.

Your Committee has amended this bill by clarifying that it is illegal to advertise as performing massage of a type which is not licensed or otherwise recognized by statute or administrative rule, and that it is also illegal to use pictures of body parts other than hands, wrists, and forearms in any mass distribution, print advertisements such as newspaper advertisements, or telephone listings.

Your Committee has further amended this bill by clarifying that establishments which offer massage services are "massage therapy establishments," and by making other nonsubstantive technical and clarifying changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2314, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2314, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Hiraki, Shon and Anderson,  
Managers on the part of the House.

Senators Blair, Cobb, Ikeda and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 123 on S.B. No. 2433**

The purpose of this bill is to repeal provisions in section 431:16-218, Hawaii Revised Statutes, which require insurers to notify policyholders by means of a summary document that their policies or contracts may be only partially covered by the Hawaii Life and Disability Insurance Guaranty Association or not covered at all.

The statutory prohibition against advertising the existence of the Association is retained.

Your Committee finds that the prohibition against advertising the Association and the notice requirement appear to be in conflict with each other.

However, your Committee also finds that the summary document which this bill would delete serves a valid purpose by providing the consumer with relevant information. The apparent conflict can be satisfactorily resolved by prohibiting delivery of the summary document to the consumer prior to delivery of the policy. Your Committee has therefore amended this bill by retaining subsections (b), (c), and (d) of section 431:16-218 and deleting the words "prior to or"

from subsection (b), page 2, line 11. Your Committee notes that since the consumer has a ten day right of rescision, the information conveyed in the summary document is still being given in a timely fashion.

Your Committee has also amended this bill by providing that the summary document shall be submitted to the Insurance Commissioner for approval. Your Committee intends this to be a legislative mandate and that the Commissioner should not hesitate to impose appropriate sanctions for noncompliance.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2433, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2433, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Hiraki, Metcalf, Shon and Cavasso,  
Managers on the part of the House.

Senators Blair, Cobb, Ikeda and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 124 on S.B. No. 2964**

The purpose of this bill is to create a new offense of assault of athletic contest official.

Your Committee has amended this bill by including an assault which occurs while the contest official is entering or leaving the premises at which the official is officiating. This amendment is intended to cover assaults which occur in parking lots adjacent to the premises or while the contest official is walking between the premises and the parking lot.

Further, your Committee has also amended this bill by adding to subsection (b), the words "who is engaged in the performance of official duties or who is entering, leaving, or on the premises of the facility at which the contest official is performing those duties", for the purpose of consistency between the subsections of this bill.

Finally, your Committee has amended this bill by changing the word "officials" on page 1, lines 6 and 8, and page 2, line 5, from the plural to singular.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2964, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2964, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hagino, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Aki, B. Kobayashi and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 125 on S.B. No. 2833**

The purpose of this bill is to provide grounds and a mechanism for an apartment owner to seek removal of a specific member of a board of directors of a condominium owners association, and to amend the provisions relating to scheduling of special board meetings to remove officers or directors.

Specifically, the bill provides that a board member may be removed from office by a mediator or arbitrator for failing to:

- (1) Allow an owner to speak at a board meeting;
- (2) Comply with notice, posting, and other meeting requirements;
- (3) Record the vote of each member; and
- (4) Provide owners with pertinent records.

A written demand would be delivered by the aggrieved owner to the board member, who would have one month to correct or address the alleged failure to comply. If the member failed to correct or address the problem, the owner would then be entitled to make a written demand for the Real Estate Commission to remove the board member. The Commission would then send a copy of the written complaint to the board member requesting a written response. If no response was received in fourteen days, or if the Commission considered the claim valid, the matter would be referred to mediation or arbitration, the costs of which would be paid by the association. The period of removal would be at the discretion of the mediator or arbitrator, and refusal of mediation or arbitration would entitle the complainant/owner to pursue the issue in court.

This bill also requires condominium bylaws to allow petitioners to set the time, date, and place of a special meeting to remove an association officer or director if the secretary or managing agent schedules the meeting more than sixty days after the petition is submitted, and requires the Commission to annually provide a summary of programs funded by the Condominium Management Fund for the prior fiscal year and a copy of the proposed Condominium Management Education Budget for the next fiscal year.

Finally, the bill requires an interim report for the 1991 Legislature on the impact of this bill and its effect on the willingness of persons to serve as board members. A final report is scheduled for 1992.

Your Committee has amended this bill by providing that all condominium boards of directors shall have an odd number of members to prevent condominiums with one hundred or fewer units from establishing an even number of board members.

Your Committee has also deleted the material relating to the Condominium Management Fund, as this item is covered by H.B. No. 3380, H.D. 1, S.D. 1.

In addition, your Committee has clarified that the interim and final reports on the effect of this bill in encouraging or discouraging condominium owners from serving as board members shall be made and submitted by the Real Estate Commission.

Your Committee has also made several technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2833, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2833, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Hayes, Hiraki, Shon and Cavasso,  
Managers on the part of the House.

Senators Blair, Cobb, Ikeda and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 126 on S.B. No. 2694**

The purpose of this bill is to strengthen and clarify the laws regulating collection agencies.

Specifically, the bill adds sections to chapter 443B, Hawaii Revised Statutes, relating to certificates of registration; termination of business and surrender of certificates of registration; notice of termination of business; notification of change; single violations as grounds to seek remedy; transfer of registrations; fiduciary responsibilities; punitive actions against registrants; biennial renewal of registration; restoration of forfeited registrations; collecting without a registration; hearings; audits; and deceptive forms.

Further, the bill adds definitions of "client", "communication", "debt", "debtor", "material change", "regularly repossesses", "regular practice", and "regular wage or salary", to chapter 443B.

The business of collecting debts for other people may be viewed by some debtors as a form of extortion and by creditors as the last means of obtaining money owed. Because of this varied perception, the Legislature has determined that collection agencies should be closely regulated, but not to the extent that the ability of legitimate businesses to earn a fair profit is jeopardized. The provisions in this bill will help protect debtors from unfair practices, enhance the ability of collection agencies to do business, and enable the State to more effectively monitor the activities of debt collectors and enforce the law.

Your Committee has amended this bill by making several nonsubstantive technical amendments and language changes for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2694, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2694, H.D. 1, C.D. 1.

Representatives Hiraki, Bellinger, Cachola, Hayes and Anderson,  
Managers on the part of the House.

Senators Blair, Chang, Matsuura and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 127 on S.B. No. 2764**

The purpose of this bill is to prohibit space vehicles launched from the land or ocean territory of the State from carrying payloads containing weapons of destruction, nuclear waste materials, or from utilizing radioactive materials as a power source.

Your Committee realizes the importance of the space industry but is concerned over the possible use of radioisotopic thermoelectric generators (RTGs), which are commonly used for deep space probe missions as a power source for space vehicles.

Your Committee upon further consideration has amended the bill by:

- (1) Replacing the phrase "prohibited payloads" in the title of the new section with the word "prohibitions"; and
- (2) Deleting the phrase which declares the prohibitions are State policy.

Your Committee does not intend for the provisions in the bill to prohibit the launching of payloads which utilize small amounts of radioactive material for calibration of scientific instruments, other research purposes, or for temperature control. Furthermore, your Committee recognizes that, notwithstanding the prohibitions set forth in the bill, that federal supremacy found within the United States Constitution may supercede the provisions of the bill. But it is the intention of your Committee that the prohibition is applicable to activities within the jurisdiction of the State and not to activities conducted within areas under the jurisdiction of the federal government.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2764, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2764, S.D. 1, H.D. 2, C.D. 1.

Representatives D. Ige, Metcalf, Fukunaga, Stegmaier and O'Kieffe,  
Managers on the part of the House.

Senators Chang, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 128 on S.B. No. 1630**

The purpose of this bill as received was to establish a two-year pilot project for Maui Memorial Hospital from July 1, 1990 to June 30, 1992. The bill also established a similar pilot project at Hilo Hospital, but only upon request from the Hilo Hospital administrator and supported by the Public Health Facility Management Advisory Committee.

This bill authorizes the decentralization of operations within the state's public hospital system to foster greater local participation in health care matters, enhance administrative accountability, and ultimately provide a more caring and personal health care system.

Your Committee has amended this bill by authorizing the pilot project at Hilo Hospital without further condition. This will allow the Hilo Hospital to start the project immediately on July 1, 1990, similar to the Maui Memorial Hospital.

Your Committee believes that it is essential for the Management Advisory Committee of each hospital to fully participate in the pilot project, and has amended the bill accordingly. Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

In addition, your Committee is concerned that both hospitals continue to play an integral role in the efforts to deal with substance abuse in their respective counties.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1630, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1630, S.D. 2, H.D. 2, C.D. 1.

Representatives Shon, Souki, Baker, Chang, Fukunaga, Kawakami, Metcalf and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 129 on S.B. No. 3019**

The purpose of this bill is to sunset the Hawaii Criminal Justice Commission to provide for the more efficient management and delivery of crime prevention, research and other criminal justice related programs of the Department of the Attorney General. This bill also allows the Attorney General to appoint executive security officers to furnish security to the governor and other public officials.

Your Committee finds that the sunset of the Hawaii Criminal Justice Commission will allow the Department of the Attorney General to continue the functions of the Hawaii Criminal Justice Commission while at the same time enabling the Department to reorganize its staff and resources for the purposes of managing and coordinating crime prevention, education, and research in a more efficient manner.

In regards to SECTION 1 of this bill, your Committee is aware that there was an inadvertent omission from Act 211, Session Laws of Hawaii 1989, of statutory authority for the executive security personnel who were not transferred to the Department of Public Safety created by that Act. Currently, there are fourteen state law enforcement officers, whose positions are authorized by statute in section 28-11.5, Hawaii Revised Statutes, and who are assigned to perform security functions for the governor and lieutenant governor. While the executive security function performed by these officers was retained by the Attorney General under Act 235, the Act repealed section 28-11.5, Hawaii Revised Statutes, because all other state law enforcement officers were transferred to the new Department of Public Safety which has its own statutory authority.

Your Committee concludes that as a result, while the function was retained, there will exist as of July 1, 1990, no statutory authority by which the executive security personnel will be able to perform their functions.

Your Committee has amended Section 1 of this bill by providing for an amendment to Section 12, Act 211, Session Laws of Hawaii 1989, regarding the appointment and enforcement powers of executive security officers.



Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3019, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3019, H.D. 1, C.D. 1.

Representatives Metcalf, Souki, Amaral, Bellinger, Fukunaga, Takamine and Anderson,  
Managers on the part of the House.

Senators Menor, Aki, Levin and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 130 on S.B. No. 26**

The purpose of this bill is to amend the Hawaii Revised Statutes by adding new parts, amending current sections and subsections, and deleting outdated and unnecessary statutes relating to government regulation.

Your Committee has amended this bill by:

- (1) Deleting Part II relating to meat inspection;
- (2) Deleting Part III relating to water catchment systems;
- (3) Deleting the requirement that the Department of Public Safety inform victims and surviving immediate family members of crime when the offender escapes from incarceration; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 26, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 26, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Amaral, Bellinger, Peters and Anderson,  
Managers on the part of the House.

Senators McCartney, Ikeda, Levin, Menor and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 131 on S.B. No. 2549**

The purpose of this bill is to strengthen and clarify the laws relating to intoxicating liquor.

Your Committee finds that as communities evolve and community standards change, it is desirable to provide for appropriate changes in the regulation of intoxicating liquor. This bill is the result of many months of meetings and conferences between the liquor industry, and the Honolulu and neighbor island liquor commissions, and is an attempt to make vital amendments to existing statutes that would allow the liquor commissions to effectively carry out their duties.

Your Committee believes that it is good public policy and in the best interests of the citizens of this State to limit and restrict nude entertainment. Your Committee finds that this type of entertainment is not supported by the general public, and is not necessarily endorsed by your Committee. Therefore, your Committee believes that it is important to regulate nude entertainment, but also recognizes the need to balance the rights of licensees and establishment patrons.

Currently, the liquor commission has no power to regulate nude entertainment when cabaret licenses are transferred. Your Committee finds that authorizing the liquor commission to adopt rules relating to nude entertainment will serve two purposes. First, it will allow the commission to regulate and restrict such entertainment as deemed appropriate, and second, concerned citizens will have an opportunity to debate this issue in an open forum. In order to treat this issue fairly, your Committee believes that existing establishments and licenses that are transferred in the next ten years should be allowed to continue their operations, pursuant to commission rules. Therefore, your Committee has amended this bill accordingly.

In addition, technical, nonsubstantive amendments have been made for purposes of style and clarity.

This bill also gives the liquor commission authority to adopt rules regulating establishments with a class 5 license in which employees or entertainers are compensated to sit with patrons. This will allow public input into the regulation of these establishments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2549, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2549, S.D. 1, H.D. 2, C.D. 1.

Representatives Tom, Metcalf, Baker, Hirayama, Yoshimura and Anderson,  
Managers on the part of the House.

Senators McCartney, McMurdo and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 132 on S.B. No. 506**

The purpose of this bill is to prohibit car rental agencies from charging more than \$9 per full or partial twenty-four hour rental day for a collision damage waiver.

The bill also prohibits agencies, or officers, employees, agents, or other representatives of the lessor, from receiving commissions as compensation for selling collision damage waivers.

Your Committee is concerned about the potential for abuse relating to selling collision damage waivers. In some cases, customers are already covered for this kind of loss by their personal insurance policies. In other cases, the rental company may exaggerate the need for the waiver or overcharge the customer for protection which the lessor has already provided for himself or which is less expensive than the cost of the waiver justifies.

However, your Committee is reluctant to advocate hard regulation at this time because some of the more prevalent abuses can be eliminated by simple prohibitions, and much more data is required to make informed decisions on matters such as the actual costs incurred in repairing or replacing damaged vehicles versus the amount charged for the collision damage waiver, and appropriate rates. Therefore, your Committee has amended this bill by:

- (1) Deleting the cap on collision damage waiver rates;
- (2) Clarifying that paying or receiving a commission for selling collision damage waivers is an unfair or deceptive practice as defined in section 480-2, Hawaii Revised Statutes; and
- (3) Requiring each rental agency to keep track of expenses incurred in repairing or replacing damaged cars; and
- (4) Authorizing the Director of Commerce and Consumer Affairs to adopt rules to require rental companies to submit data.

The information provided pursuant to amendment (3) is not confidential in that all information reported to the Department of Commerce and Consumer Affairs, for reasons such as insurance rate making and other purposes, is public. Your Committee has obtained the endorsement and the assistance of the Executive Director of the Office of Consumer Protection in developing these formulae and data categories, and the Executive Director has assured your Committee that the rental car industry is prepared to comply with this law.

This bill authorizes the Director to compile and disclose to the Legislature upon the request of the Legislature information on the total amount of collision damage waiver sales by car rental companies and the total amounts expended for costs of repair of damages to rental vehicles caused while the vehicles are subject to collision damage waiver.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 506, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 506, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Hagino, Hiraki and Shon,  
Managers on the part of the House.

Senators Blair, Cobb, Ikeda, A. Kobayashi and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 133 on S.B. No. 2801**

The purpose of this bill is to amend section 445-90, Hawaii Revised Statutes.

Specifically, the bill amends the definition of "lodging or tenement house," "group home," "group residence," "group living arrangement," or "rooming house" by deleting the nine room limitation.

Currently, all buildings with more than nine rooms are considered to be "hotels" under chapter 445, Hawaii Revised Statutes (HRS). Consequently, building owners are expected to expend large sums of money to bring their buildings up to the current code requirements as hotels. Your Committee believes that when section 445-90, HRS, was enacted, the law was intended to exclude such buildings from hotel licensing requirements since the rooms are not rented on a hotel or transient basis.

Therefore, your Committee has amended this bill by amending the definition of "hotel" to mean a building containing lodging or dwelling units, or both, that include fifty percent or more lodging units.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2801, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2801, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Tom, Baker, Bybee, Cachola, Hiraki and Anderson,  
Managers on the part of the House.

Senators McCartney, Menor and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 134 on S.B. No. 3142**

The purpose of this bill is to create the Hawaii Opportunity Program in Education Special Fund to award scholarships to financially needy students with priority given to students from ethnic groups which are underrepresented in the student population at the University of Hawaii. The bill would also give priority to students who are the first from their families to attend a college or university.

Education continues to be a priority of the legislature and, as such, has received generous funding. The legislature understands the value of an education and has acted to provide our young people with the knowledge and skills they need to compete in our dynamic and competitive society. Unfortunately, some never get the chance at a higher education. Your Committee finds that certain ethnic groups are grossly underrepresented at the University of Hawaii. If the legislature is to provide educational opportunities that are equitably distributed among all its people, then it must make a special effort to assist those with special needs. The bill addresses this concern by allowing and motivating financially disadvantaged students from underrepresented ethnic groups to continue their education at the University of Hawaii.

Your Committee has amended the bill as follows:

1. By deleting the priority which would have been given to students who are the first from their families to attend a college or university;
2. By changing the amount of financing for the HOPE special fund from \$4,000,000 per year to \$1,000,000 per year over a ten-year period taken out of tuition collected by the university; and
3. By changing the role of the Department of Education from participating as an equal partner in the establishment of a comprehensive plan to participating as a consultant to the University of Hawaii as it establishes the plan.

Your Committee wishes to make clear that, although the University of Hawaii is required to actively seek private participation in the HOPE program, it is not the Committee's intent that private funds will be used to offset or reduce the amounts required to be contributed by the university under the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3142, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3142, S.D. 1, H.D. 2, C.D. 1.

Representatives Taniguchi, Souki, Arakaki, Baker, Duldulao, Fukunaga, Stegmaier and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Holt, Solomon and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 135 on S.B. No. 3169**

The purpose of this bill is to create a registered nurse student financial support program and a registered nurse student loan fund to provide low interest loans to qualified students who intend to become licensed registered nurses and work in Hawaii.

Your Committee finds that the State of Hawaii is in the midst of a critical nursing shortage and it is anticipated that by 1991, there will be over thirteen hundred vacant nursing positions. Your Committee further finds that in addition to the increasing demand for skilled nurses, the costs associated with earning a degree in nursing are considerable, and in many cases, prohibit interested persons from pursuing a nursing education. Your Committee believes that this bill will address problems relating to the recruitment and retention of nurses in the State, thereby assuring the availability of appropriately trained registered nurses to meet the growing demand for quality health care services.

Your Committee has amended this bill by: (1) making loans available to students attending an accredited degree-granting university, college, or nursing institution in Hawaii, instead of limiting loans to students attending the University of Hawaii system; (2) providing that the measure will take effect upon its approval, except for the appropriation section which will take effect on July 1, 1990; and (3) including a repeal date of July 1, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3169, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3169, S.D. 2, H.D. 2, C.D. 1.

Representatives Shon, Souki, Arakaki, Baker, Duldulao, Hayes, Leong and Liu,  
Managers on the part of the House.

Senators Yamasaki, Levin and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 136 on S.B. No. 3170**

The purpose of this bill is to add a new section to chapter 321, Hawaii Revised Statutes, relating to developmental disabilities domiciliary homes.

Specifically, this bill authorizes the Department of Health to:

- (1) License domiciliary homes for developmentally disabled or mentally retarded individuals who are unable to live independently and who require supervision or care, but do not require nursing care in a domiciliary setting;
- (2) Adopt rules to administer the licensing of domiciliary homes and their respective facilities and staffs; and
- (3) Maintain a registry of licensed facilities and an inventory of vacancies to facilitate placement of developmentally disabled or mentally retarded individuals.

The bill also provides an appropriate level of care payments to service providers whose homes meet licensing standards.

Your Committee has amended this bill on page 2, line 6, by substituting the word "Provide" for "Establish" for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3170, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3170, S.D. 2, H.D. 2, C.D. 1.

Representatives Shon, Fukunaga, Arakaki, Hayes, Ihara, M. Ige, Leong and Liu,  
Managers on the part of the House.

Senators Yamasaki, Levin and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 137 on S.B. No. 1148**

The purpose of this bill is to provide for the public safety by establishing a quick, administrative procedure for revoking the licenses of drunk drivers while they are awaiting trial on criminal DUI charges under section 291-4, Hawaii Revised Statutes.

This bill contains several provisions to protect innocent persons, including an administrative review of the arrest and an administrative hearing before the administrative revocation goes into effect, and judicial review if the hearing officer finds against the arrestee. Concurrently, the prosecutor may request the Administrative Director of the Courts to reexamine the review decision to safeguard against early termination of the case based on an incomplete or incorrect evaluation of the evidence. And the prosecutor, of course, may also seek judicial review.

Drunk drivers pose one of the most serious threats to the safety of the people of Hawaii, and your Committee has for several months sought input from the legal and law enforcement establishments, public and private groups which advocate for stiff DUI laws, and from other states which have implemented administrative revocation laws. We found that the main benefit of administrative revocation is that it allows the State to remove a drunk driver's license before the culmination of a lengthy prosecution under the criminal statute. Currently, a person charged with driving under the influence must be allowed to continue driving until he or she is found guilty in a court of law. This process takes an average of seven or eight months in Hawaii, and even longer, and while this process is going on, the dangerous driver, who quite likely is an inveterate repeat offender, remains on the road.

Your Committee believes that it should be a clear policy of this State that persons found guilty of drunk driving should be prohibited from driving as quickly as possible. Administrative revocation will get such persons off the road in thirty days, in most instances.

In its consideration of this issue, your Committee wrestled with the problem of concurrent prosecution - is it proper and appropriate for Hawaii to allow a person to be tried by the State and the county at the same time for the same offense? We have concluded that it is indeed proper because it achieves the policy of getting drunks off the road quickly. However, it would not be proper to allow county prosecutors to continue prosecuting persons who have been found innocent at an administrative hearing (which in virtually all cases would precede the court trial) by a preponderance of the evidence. If the prosecutor cannot obtain a decision for administrative revocation on the lowest standard of proof, he should not be permitted to proceed on the same case when the standard is the highest - beyond a reasonable doubt. Therefore, this bill requires the prosecutor to drop the similar criminal charge if the prosecution fails to meet its burden of proof at any stage of the administrative process. Of course, as in all actions of this kind, the prosecutor has the right to seek judicial review.

The administrative revocation procedure works in the following manner:

- (1) A driver is stopped and arrested on reasonable suspicion and probable cause that he or she was under the influence;
- (2) The arrestee is asked to take a test to determine alcohol concentration in the blood; and
- (3) At the same time, his or her license is confiscated by the arresting officer, who issues a notice of administrative revocation setting the date thirty days hence when revocation will go into effect, and a temporary permit to continue driving for thirty days.

The notice contains information about the administrative process, penalties, concurrent prosecution, and the administrative review, administrative hearing, and judicial review.

Immediately after arrest, the State begins collecting evidence, including the arrest report and the confiscated license, the results of the blood test if the arrestee consented, and sworn statements of officials involved in the testing. All information

is transmitted to the Director, who assigns a reviewer to either affirm or rescind the notice of revocation. If the reviewer confirms the notice, the arrestee is scheduled for a hearing where he or she may be represented by counsel, face his or her accuser, cross examine witnesses, and present a defense. If a hearing is continued at the request of the State or the prosecutor, the arrestee's temporary permit is extended. If the hearing is continued at the request of the arrestee, the permit is not extended.

If criminal charges are filed currently with the administrative charges, the State will share all its evidence with the county prosecutor.

A finding for administrative revocation starts revocation as of the date specified on the notice. If the finding is for the defendant, the license is returned pending a possible appeal. Periods of revocation run from three months to life, depending on the number of prior alcohol-related convictions the defendant has, either in Hawaii or in any other State or possession of the United States. If the defendant refused to take a blood test, the revocation period is doubled.

This bill also allows a first offender to plead hardship and be granted a conditional permit to drive during the revocation period, provided that the first month in all cases will be a hard suspension with no driving privileges at all. Conditional permits will only be allowed if the arrestee must drive to retain employment or to attend alcohol treatment if there is no alternative transportation available. Other conditions that may be imposed include alcohol counseling and treatment, limitation of driving to certain hours and to certain destinations, and installation of an ignition interlock system which prevents the driver from starting the car unless his or her breath indicates a blood concentration level within lawful limits.

After a revocation period is over, the person, in order to ever drive again in Hawaii, will have to prove that all conditions of the revocation have been met and apply for a new license. Revocation is not a suspension; it is an absolute removal of a person's privilege to drive in this State!

This bill also strengthens certain provisions of section 291-4, authorizes the court to order a defendant to install an ignition interlock system, clarifies the length of jail terms that may be imposed, and strongly increases the penalties under section 291-4.5 for driving after a license has been suspended or revoked for driving under the influence.

Since ignition interlock systems are a prominent feature of this bill, your Committee has provided for them to be certified by the Director of Transportation and for the Director to report on their use and effectiveness. This bill also acknowledges that much more work has to be done during the 1990-1991 interim before it takes effect on July 1, 1991, and has provided an appropriation of \$150,000 to be expended by the Judiciary to flesh out details such as qualifications of administrative reviewers and hearings officers and procedures and protocols involving interrelationships and communication among the State, the counties, and local law enforcement cadres.

In conclusion, your Committee believes that it has fashioned a good bill, one that is sensitive to Hawaii's unique needs but tough enough to quickly and effectively get drunks off the road, where they can't hurt anybody with their cars while being tried criminally. This bill will be especially hard on repeat offenders and the hard cases who we all wish to be off the road if not behind bars! Your Committee believes that this bill will stand up well against any other administrative revocation bill enacted by any other state, and is secure in its belief that it has discharged its fiduciary responsibility to the people of Hawaii by developing a firm policy that will save many lives over the years.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1148, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1148, S.D. 2, H.D. 2, C.D. 1.

Representatives Fukunaga, Metcalf, Amaral, Bellinger, Ihara, Oshiro, Takamine and Anderson,  
Managers on the part of the House.

Senators Fernandes Salling, Menor, Yamasaki, Blair and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 138 on S.B. No. 1526**

The purpose of this bill is to add a new teacher class for any teacher who holds a certificate issued by the Department of Education based upon five acceptable years of college education and sixty additional credits approved by the Department and other requirements as the Department may establish.

Your Committee has amended the bill to require a Class VII teacher to have sixty-six additional credits instead of sixty credits and also added a requirement that the Department submit a report to the Legislature on the costs of implementing this change.

Your Committee wishes to indicate that funding for this measure should be requested during the 1991 legislative session outside of the regular executive branch budget "ceiling" for the Department of Education budget.

Your Committee expects that the Department of Education shall keep the Legislature informed as to the implementation of this measure and shall submit a report on the costs of implementing this measure to the Legislature twenty days before the convening of the 1991 regular session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1526, S.D.2, H.D.1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1526, S.D.2, H.D.1, C.D. 1.

Representatives Takamine, Souki, Baker, Horita, Kawakami, Yonamine and Marumoto,

Managers on the part of the House.

Senators Yamasaki, B. Kobayashi, McCartney, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 139 on S.B. No. 2794**

The purposes of this bill are to supplement institutional health care reimbursements for inpatient care under the State's medical care payments law and to establish a blue ribbon panel within the department of health to examine the financial and economic dynamics of the health care industry in Hawaii.

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

- (1) The dollar and percentage figures by which this bill will exceed the state general fund expenditure ceiling have been changed from \$300,001 or 0.012 per cent to \$3,000,000 or 0.12 per cent.
- (2) The membership of the blue ribbon panel has been amended to include representation of consumer advocates.
- (3) The blue ribbon panel is to submit a preliminary report to the legislature prior to the 1991 session and a final report prior to the 1992 session.
- (4) The appropriation amount for the operational costs of the blue ribbon panel has been changed from \$300,000 to \$250,000.
- (5) The appropriation amount to supplement the reimbursements to medicaid participating institutional providers has been changed from \$1 to \$2,750,000.
- (6) A repeal date of June 30, 1992 has been added to the effective date section.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2794, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2794, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Shon, Souki, Baker, D. Ige, Leong and Liu,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 140 on S.B. No. 3146**

The purpose of this bill is to improve home and community-based care by:

- (1) Adjusting the expenditure ceiling for the nursing home without walls program to not more than seventy-five per cent of the annual Medicaid cost for comparable institutional care for the caseload rather than for each individual client;
- (2) Establishing an eleven-member task force to advise the Department of Health on the allocation and expenditure of funds appropriated for respite care services;
- (3) Appropriating \$1,000,000 to the Department of Health (DOH) for support services and training to families and caregivers who provide home care to individuals with developmental disabilities and mental illness;
- (4) Appropriating \$650,000 to the Executive Office on Aging (EOA) for the expansion of respite care services, a caregiver training program and a caregiver demonstration project;
- (5) Appropriating \$75,000 to the Department of Human Services (DHS) for respite care services for foster care providers;
- (6) Appropriating \$100,000 to the DOH for an assessment of at-home family caregiving;
- (7) Appropriating \$250,000 to the EOA for the expansion of crisis intervention services for the elderly program;
- (8) Appropriating \$176,112 to the DHS for the expansion of senior companion and respite companion programs; and
- (9) Appropriating \$75,000 to the DHS for services and training to families providing home care to a disabled adult or child.

Your Committee has amended this bill to authorize the Director of Health to provide community-based services for persons with developmental disabilities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3146, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3146, H.D. 2, C.D. 1.



Representatives Arakaki, Fukunaga, Duldulao, M. Ige, Ihara, Leong and Liu,  
Managers on the part of the House.

Senators Yamasaki, McMurdo, A. Kobayashi, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 141 on S.B. No. 3233**

The purpose of this bill is to appropriate funds to the Office of the Legislative Auditor for the conduct of a comprehensive study on the feasibility of establishing a Hawaii sports authority that will be responsible for the operation and management of the Aloha Stadium and other state sports facilities.

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

- (1) The study is to be conducted by the Office of State Planning instead of the Office of the Legislative Auditor.
- (2) The responsibilities of the Hawaii sports authority to be studied are to include the planning, development, and construction of new state water and land-based sports facilities.
- (3) The amount by which the appropriation in this bill will exceed the state general fund expenditure ceiling has been changed from \$250,000 or 0.0098 per cent to \$100,000 or 0.0039 per cent.
- (4) The parameters of the study have been expanded to include the construction of sports facilities; the development of new sports or sports-related programs; new methods and mechanisms for the financing of sports facilities and programs; and recommended powers and jurisdiction of the proposed sports authority.
- (5) The appropriation amount has been changed from \$250,000 to \$100,000 and the requirement that the appropriation be matched by funds from the stadium special fund has been deleted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3233, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3233, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Souki, Baker, Horita, Tajiri, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Holt, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 142 on S.B. No. 3247**

The purpose of this bill is to amend chapters 101, 171, and 261, Hawaii Revised Statutes, by adding a new section to provide state assistance in the relocation of businesses on leased land displaced by the government's acquisition of private land either through condemnation or the threat of condemnation. The bill would provide these displaced commercial and industrial lessees priority in leasing public lands in state industrial parks or other designated lands. The bill further authorizes the Director of Transportation to provide relocation assistance to those businesses displaced by any land acquisition program for any state airport and appropriates \$125,000,000 out of the airport revenue fund to the Department of Transportation to acquire land and provide for the relocation of and other costs incurred by dislocated lessees or tenants as a result of condemnation of private property for the expansion of the Honolulu International Airport.

Upon further consideration of this measure, your Committee has made the following amendments. The Department of Transportation requested that the proposed language for section 261-32(e) be amended to clarify that there are two categories of persons affected by condemnation actions: (1) those relocated to a new site; and (2) those remaining in their current location on the property being condemned by the State. This bill allows the Department of Transportation to enter into leases with both categories of affected persons.

Persons immediately displaced by condemnation may negotiate with the Department of Transportation to enter into a lease of an appropriate site under the Department's jurisdiction. The Department may allow any lessee of a site acquired by the Department to remain on the site, and may enter into a new lease with the lessee granting the use of the site, provided that the term of the new lease shall not exceed the time remaining on the lease terminated by the acquisition. While the leases issued under this subsection shall be negotiated without regard to the limitations set forth in chapter 171, it is the intent of your Committee that the leases be mutually agreeable to both the parties and that due consideration be given to the long-term needs of the State to maximize its lease rental income. It is your Committee's intent that the leases granted by the Department of Transportation to the affected persons will reach fair market value in a reasonable length of time.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3247, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3247, S.D. 2, H.D. 2, C.D. 1.

Representatives D. Ige, Tom, Hagino, Souki, Cachola, Fukunaga, Yonamine and O'Kieffe,  
Managers on the part of the House.



Senators Yamasaki, Fernandes Salling, A. Kobayashi, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 143 on S.B. No. 3306**

The purpose of this bill is to establish a Kaneohe Bay advisory committee to study and develop recommendations for a master plan for Kaneohe Bay.

Your Committee has amended this bill as follows:

- (1) Language was added to the purpose clause to state that use of Kaneohe Bay by commercial operators is a privilege, not a right, and that the master plan is to be used as the recommended guideline in the adoption and implementation of rules regulating activities in the Bay.
- (2) The advisory committee placed in the Department of Transportation was changed to a task force placed in the Office of State Planning.
- (3) The task force is to develop a comprehensive master plan which shall be subject to the approval of the Director of the Office of State Planning.
- (4) The task force is to be composed of eleven members instead of six, and includes the Director of Transportation, Director of Health, Chairperson of the Board of Land and Natural Resources, additional members from the Kahaluu and Kaneohe neighborhood boards, a representative from the Kaneohe Marine Corps Air Station, and representatives from the commercial fishing and commercial ocean recreation industries. Your Committee recognizes that technically, federal officials such as the commander of the Kaneohe Marine Corps Air Station cannot be directed to participate in state affairs through state legislation. It is therefore your Committee's intent that active steps be taken to request and encourage participation on the part of the Kaneohe Marine Corps Air Station.
- (5) The task force members must be appointed by October 1, 1990 and must complete the master plan by October 1, 1991.
- (6) The language concerning the moratorium on authorizations of additional commercial use was rewritten to specifically prohibit the issuance of any new commercial permits or expansion in existing levels of commercial activities.
- (7) The Act is to be repealed thirty days after the Director of the Office of State Planning approves the master plan.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3306, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3306, S.D. 2, H.D. 2, C.D. 1.

Representatives Bunda, Hagino, Souki, Bellinger, Isbell, Kanoho, Yonamine and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Holt, A. Kobayashi, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 144 on S.B. No. 3403**

The purpose of this bill is to:

- (1) Authorize the counties to provide lifeguard services at state beach parks where the Department of Land and Natural Resources and the affected county agree that these services are needed; and
- (2) Make an appropriation to the Department of Land and Natural Resources to reimburse the counties for providing lifeguard services at state beach parks.

Your Committee has amended this bill by deleting the appropriation to the Department of Land and Natural Resources and made several conforming amendments for the purposes of consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3403, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3403, H.D. 1, C.D. 1.

Representatives Tom, Souki, Baker, Bybee, Isbell, Kanoho, Tajiri and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Holt, A. Kobayashi, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 145 on S.B. No. 2159**

The purpose of this bill is to authorize funds for plans, land purchase, design, site preparation, improvements to land, construction and necessary equipment for capital improvement projects. This bill authorizes general funds in the sum of \$25,476,000 for various projects.

Your Committee finds that this bill will provide appropriations to meet the needs of the State through various capital improvement projects. For purpose of further discussion, your Committee has amended the four unspecified projects to various specified projects and inserted the appropriate amounts specified for each project. Also, your Committee has amended this bill to include the expenditure ceiling section.

After close scrutiny, your Committee believes that the projects contained herein reflect the Legislature's continued support of projects which reflect the needs and desires of the people of the State of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2159, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2159, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 146 on S.B. No. 1214**

The purpose of this bill is to stimulate interest in the general public and the educational community in learning about space science and space industry applications of space science and technology.

Your Committee has amended the bill to change the appropriation from \$2 to \$750,000 which must be matched by the private sector. The bill has also been amended by deleting the no interest loan.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1214, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1214, S.D. 1, H.D. 2, C.D. 1.

Representatives Oshiro, Souki, Horita, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 147 on S.B. No. 1611**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Wailuku River Hydroelectric Power Company, Inc. and Puna Geothermal Venture in establishing power plants.

Your Committee has amended this bill by:

- (1) Changing the amount of special purpose revenue bonds authorized under part I from \$2 to \$18,000,000;
- (2) Changing the amount of special purpose revenue bonds authorized under part II from \$1 to \$7,500,000; and
- (3) Designating sections 5, 6, and 7 as "Part III".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1611, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1611, S.D. 2, H.D. 1, C.D. 1.

Representatives Andrews, Souki, Fukunaga, Hiraki, Kanoho, Leong, Say and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 148 on S.B. No. 2945**

The purpose of this bill is to:

- (1) Enable the Office of the Lieutenant Governor to continue efforts towards the replacement of the current voting system with a new totally electronic voting system, and to subsequently replace the current voting system with a new totally electronic voting system;

- (2) Direct the temporary advisory committee on electronic voting systems to select and the chief elections officer to acquire a new, totally electronic voting system;
- (3) Set forth procedures for the solicitation of proposals, advertisement, system selection, review, and vendor selection for a totally electronic voting system; and
- (4) Appropriate \$2 to the Office of the Lieutenant Governor.

Your Committee has amended this bill by:

- (1) Deleting the authority of the chief elections officer to acquire a new totally electronic voting system but retaining the provisions for the temporary advisory committee on electronic voting systems to select and negotiate the purchase of the new system;
- (2) Requiring the committee to submit a report to the Legislature not later than twenty days prior to the convening of the 1991 regular session that includes reasons for selecting the system, details of the agreement with the vendor, acquisition and operating costs, and other relevant information;
- (3) Subjecting the agreement with the vendor to the approval of the Legislature and the appropriation of funds to fulfill the State's obligation under the agreement;
- (4) Appropriating \$250,000; and
- (5) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2945, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2945, S.D. 2, H.D. 2, C.D. 1.

Representatives Metcalf, Souki, Baker, Bellinger, Hagino, Isbell, Takamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Hagino, A. Kobayashi, Menor and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 149 on S.B. No. 3088**

The purpose of this bill is to establish a Hawaii community-based development program and revolving fund within the Department of Business and Economic Development to assist traditional and small community-based businesses and enterprises in becoming self-sufficient and to encourage diversification of economic opportunities for Hawaii's residents and communities.

Your Committee finds that since conventional financial institutions traditionally do not provide loans to initiate the establishment of community-based enterprises, there is a need for a program which supports economic alternatives for communities, provides assistance through loans and grants, and initiates the establishment or expansion of traditional enterprises.

The Waianae Coast Community Alternative Development Corporation (Corporation) is a prime example of a community-based enterprise that deserves the support of a Hawaii community-based development program. The Corporation currently operates a backyard fish farming project that assists Waianae coast families to produce fish for themselves and the community, and the Ka'ala Cultural Science and Learning Center that educates families and students in the community about the importance of taro in the Hawaiian culture and provides a source of pride for the community. Your Committee finds that the Corporation is an exemplary model of the community-based enterprises the program is intended to assist. It is the intent of your Committee that the Department of Business and Economic Development proceed expeditiously through the rulemaking process, and that the Department be allowed to provide grants to applicants who meet the minimum requirements under this bill prior to the adoption of rules.

Your Committee has amended the bill by:

- (1) Eliminating the requirement that all moneys appropriated to the fund by the Legislature be used only for making loans unless the appropriation is specifically authorized for making grants;
- (2) Replacing the Director of Labor and Industrial Relations with the Chairperson of the Board of Agriculture as an ex officio voting member of the advisory council;
- (3) Requiring that each county be represented by at least one council member who is a resident of that county;
- (4) Requiring that the council assess the appropriateness of the business or enterprise in order to achieve the purposes of the chapter, rather than its acceptability to the community;
- (5) Eliminating the requirements that an applicant must derive a major portion of income from or devote a major portion of time to the enterprise, and be able to obtain necessary operating capital;
- (6) Allowing an applicant to have applied for all applicable licenses and permits, rather than requiring the actual receipt of the licenses and permits;

- (7) Allowing the Department of Business and Economic Development to provide grants to applicants who have met the minimum criteria for eligibility;
- (8) Requiring that an annual report be included in the Department of Business and Economic Development's annual report pursuant to section 201-10;
- (9) Appropriating \$900,000 for the revolving fund and requiring that of that amount, \$500,000 be used to provide grants;
- (10) Appropriating \$100,000 for the hiring of necessary staff and the operation of the program; and
- (11) Making technical and nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3088, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3088, S.D. 1, H.D. 2, C.D. 1.

Representatives D. Ige, Souki, Bellinger, Horita, Isbell, Say and Hemmings,  
Managers on the part of the House.

Senators Yamasaki, Chang, Aki, A. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 150 on S.B. No. 2596**

The purpose of this bill is make an appropriation to supplement the compensation for coaches of public school athletics.

Your Committee finds that student athletics helps to build positive qualities such as perseverance, teamwork, sportsmanship, and self-esteem, and that athletics encourages some students to stay in school who might otherwise drop out. Coaches devote long hours to support our student athletic programs and are an essential part of this program. Your Committee finds that a pay supplement will help to more fully compensate coaches for their efforts.

Your Committee has amended this bill by changing the appropriation to \$1,000,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2596, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2596, S.D. 2, H.D. 2, C.D. 1.

Representatives Tam, Souki, Hirayama, M. Ige, Kawakami, Taniguchi, Yonamine and Hemmings,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 151 on S.B. No. 3127**

The purpose of this bill is to authorize the transfer of certain state parks to the counties and certain county parks to the State in order to better utilize the resources of these jurisdictions.

Following its deliberations on this measure, your Committee has deleted all park transfers and amended subsection (c) of section 2 of this bill, relating to the transfer of the title to Kawaiinui Marsh from the City and County of Honolulu to the State. Your Committee has included a proviso to require the State to enter into the necessary operation or maintenance agreements, or both, with the United States Army Corps of Engineers to ensure proper maintenance of the area.

Your Committee has further amended subsection (c) by requiring that the management lease, license agreement, or other agreement between the State and the City and County of Honolulu contain a requirement that the Department of Land and Natural Resources notify the City and County of Honolulu of any operation and maintenance undertaking in the marsh and allow it to review the effect of the proposed undertaking.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3127, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3127, S.D. 2, H.D. 2, C.D. 1.

Representatives Hagino, Tom, Souki, Baker, Bybee, Fukunaga, Say, Stegmaier, Yoshimura, Hemmings and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 152 on S.B. No. 2978**

The purpose of this bill is to establish a temporary commission to prepare an overall program to observe the 500th anniversary of the arrival of Christopher Columbus to the New World.

Your Committee has amended this measure by:

- (1) Changing the name of the commission to the Commission on Columbian Quincentennial Observance;
- (2) Changing the name of the trust fund to the Columbian Quincentennial Observance Trust Fund; and
- (3) Expanding the scope of the commission's task to promotion of understanding of the transformations wrought through exploration, encounter, and exchange throughout the world--not just by Columbus.

Your Committee finds that substitution of the term "observance" for "celebration" is necessary for two reasons:

- (1) Legislative sensitivity suggests that some minority groups (e.g., Native Americans) may not wish to "celebrate" the arrival of Columbus; and
- (2) The term "observance" more accurately describes both the ceremonial events and educational activities expected of the commission.

Your Committee finds that the commission should promote community understanding of the transformations wrought not only by the arrival of Columbus but as well by exploration, encounter, and exchange in other parts of the world, including the Pacific. Thus, the charge to the commission will not be limited just to Columbus but will encompass other explorers and voyagers, including the ancient Polynesians, the Portuguese, the Chinese, and others. Setting Columbus in this context will clarify his relevance to the history and people of Hawaii.

Upon consideration, your Committee has reduced the appropriation. It is expected that the commission will be able to obtain funds from public and private sources to carry out the purposes of this bill, supplemented as may be necessary by the Office of the Governor from the Office's budgeted appropriations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2978, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2978, S.D. 1, H.D. 2, C.D. 1.

Representatives Taniguchi, Souki, Duldulao, Horita, Lee and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Tungpalan and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 153 on S.B. No. 2881**

The purpose of this bill as received is to require the Department of Education to develop formal procedures, including criminal history record checks, for obtaining verifiable information regarding the criminal history of persons who are employed or seeking employment in public or private schools in positions that place them in close proximity to children. This bill in its amended form authorizes the Department of Education and private schools to develop such procedures.

Your Committee upon further consideration has made the following amendments to S.B. No. 2881, S.D. 2, H.D. 2:

- (1) Deleted the word "shall" at line 14 on page 1 and inserted "and respective private schools may";
- (2) Changed the amount appropriated in section 4 to \$25,000 and the amount appropriated in section 5 to \$38,000 and changed to figures at line 6 on page 1 to "\$63,000" and "0.0025" respectively to reflect these amended appropriations; and
- (3) In section 7, deleted the word "however" at line 20 and inserted "and shall be implemented to the extent resources are available", deleted the word "three" and inserted "at least one" at line 21, and changed the word "positions" at line 22 to "position".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2881, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2881, S.D. 2, H.D. 2, C.D. 1.

Representatives Metcalf, Tam, Fukunaga, Bellinger, Hagino, Kawakami, Yoshimura and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Hagino, B. Kobayashi, Menor and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 154 on S.B. No. 1810**

The purpose of this bill is to create an agency, the Natural Energy Laboratory of Hawaii Authority, to improve and consolidate the management and operations of the Natural Energy Laboratory of Hawaii (NELH) and the Hawaii Ocean Science and Technology (HOST) Park under a single administrative organization.

This bill would:

- (1) Place the Authority in the Department of Land and Natural Resources for administrative purposes;
- (2) Create a nine-member board appointed by the Governor;
- (3) Establish powers and duties of the Authority;
- (4) Allow for the appointment of a research advisory committee by the Authority;
- (5) Create a special fund for all moneys and fees received by the Authority;
- (6) Allow an exemption for the Authority from all state taxes and the state competitive bidding law;
- (7) Protect accrued benefits of former NELH employees hired as state employees;
- (8) Transfer NELH and HOST records, equipment, etc., to the Authority; and
- (9) Make an appropriation of \$965,000 for fiscal year 1990-1991.

Your Committee has amended this bill by changing the appropriation to \$242,106 and by changing the administrative and expending agency to the Department of Business and Economic Development. Your Committee has deleted the requirement that two of the members of the research advisory committee be elected to serve on the board and has inserted language making the chairperson and secretary of the committee board members. Your Committee has also deleted the requirement that the immediate past chairperson of the board of directors of the NELH serve on the board. Your Committee has also clarified that members of the scientific community may be included on the research advisory committee. In addition, your Committee has made minor grammatical, nonsubstantive amendments for purposes of style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1810, S.D. 2, H.D. 4, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1810, S.D. 2, H.D. 4, C.D. 1.

Representatives Andrews, Fukunaga, Honda, Ihara, Kanoho, Stegmaier and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 155 on S.B. No. 3176**

The purpose of this bill is to increase the number of child care providers by:

- (1) Establishing a one-year demonstration project to train people to become home child care providers who will be able to establish and operate their own home-based child care facility;
- (2) Providing grants to family child care providers and center-based programs to convert and renovate existing facilities; and
- (3) Establishing a child care resource lending center to help family child care providers start up their businesses.

The bill appropriates \$500,000 each for the demonstration project, the grants program, and the resource center.

Your Committee has amended this bill by:

- (1) Appropriating \$250,000 for the demonstration project;
- (2) Appropriating \$225,000 for the grants program;
- (3) Appropriating \$25,000 for the resource center; and
- (4) Specifying the amount and percentage by which the appropriations will exceed the expenditure ceiling for 1990-1991.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3176, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3176, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Souki, Amaral, Duldulao, Fukunaga, Horita, M. Ige and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, McMurdo, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 156 on S.B. No. 2587**

The purpose of this bill is to provide a statewide comprehensive and coordinated interdisciplinary program of early hearing impairment screening, identification, and follow-up for children, from birth to thirty-six months of age, and their families.

Your Committee finds that deafness in infants interferes with the normal development of language skills. Studies have concluded that early assistance to hearing-impaired infants significantly improve their language skills and their ability to achieve academic success. This bill will provide for the early screening of all newborns for hearing impairment.

Your Committee has amended this measure by making a grammatical amendment in the purpose statement of the bill. The word "birth" has been substituted in place of the word "neonates" to make the language consistent with the operative provisions. Your Committee finds that the purpose statement clearly states the intent of this bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2587, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2587 S.D. 1, H.D. 2, C.D. 1.

Representatives Shon, Fukunaga, Duldulao, Kawakami, Leong and Cavasso,  
Managers on the part of the House.

Senators Yamasaki, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 157 on S.B. No. 2560**

The purpose of this bill is to:

- (1) Establish within the Housing Finance and Development Corporation a program to provide low-interest loans of up to \$25,000 per residential unit for design alterations which need to be made to the residences of persons with physical disabilities;
- (2) Authorize the corporation, in consultation with the commission on persons with disabilities, to adopt rules to administer this program;
- (3) Make an appropriation to the housing finance revolving fund and to provide that interest earned on the appropriated amount may be used by the corporation for administrative purposes;
- (4) Require the corporation to establish the terms and conditions, maturities, interest rates, collateral, and other requirements for loans;
- (5) Empower the corporation to collect any delinquent amounts in the event of a default in the payment of any installment of principal or interest on any loans made from the fund and to otherwise secure the loans in a manner which affords reasonable protection of the State's resources; and
- (6) Authorize the corporation to enter into agreements with or purchase services from any bank.

Your Committee has amended this bill by deleting its contents and instead adding a new part to chapter 201E, Hawaii Revised Statutes, entitled "housing alteration revolving loan fund" which:

- (1) Establishes a housing alteration revolving loan fund for persons with physical disabilities;
- (2) Provides low-interest loans of not more than \$25,000 to eligible persons with physical disabilities or their caregivers to make design alterations to a residence occupied by one or more eligible persons;
- (3) Authorizes the corporation to establish the terms and conditions, maturities, interest rates, collateral, and other requirements for loans;
- (4) Empowers the corporation to collect any delinquent amounts in the event of a default in the payment of any installment of principal or interest on any loans made from the fund and to otherwise secure the loans in a manner which affords reasonable protection of the State's resources;
- (5) Authorizes the corporation to enter into agreements with or purchase services from any bank; and
- (6) Authorizes the corporation, in consultation with the commission on persons with disabilities, to adopt rules to administer this program and the fund.

As amended, the bill also appropriates \$200,000 to be paid into the loan fund.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2560, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2560, S.D. 2, H.D. 2, C.D. 1.

Representatives Hayes, Shon, Souki, Ihara and Cavasso,  
Managers on the part of the House.



Senators Yamasaki, Crozier, A. Kobayashi, Solomon and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 158 on S.B. No. 2338**

The purpose of this bill is to improve the administrative functions within the Legislature to better fulfill legislative duties and to facilitate legislative access to the public. Specifically, this measure would:

- (1) Establish a Joint Legislative Budget Committee, composed of an equal number of House and Senate members, to ascertain facts and to make recommendations to the Legislature about the state budget, revenues and expenditures of the State, and the organization and functions of the State;
- (2) Authorize the Joint Legislative Budget Committee to establish the Office of the Legislative Analyst. With the assistance of the Office of the Legislative Analyst, the Joint Legislative Budget Committee would provide the Legislature with research, evaluation, analyses, and recommendations regarding state revenues and expenditures, the executive budget, and economic and fiscal policy;
- (3) Require the Joint Legislative Budget Committee to report to the Legislature on the progress of the establishment of the Office of the Legislative Analyst;
- (4) Appropriate funds for the operations of the Office of the Legislative Analyst and to facilitate more efficient operation and management of the Legislature; and
- (5) Appropriate funds to promote improved public access throughout the State through technological and other means.

Upon further consideration, your Committee has amended this measure as follows:

- (1) Renaming the new chapter on "Joint Legislative Budget Committee" as "Legislative Fiscal and Budget Analysis" in Part I of the bill;
- (2) Deleting the purpose section in Part I of the bill and instead inserting a modified purpose of the Joint Legislative Budget Committee and the Office of the Legislative Analyst as section -1 of the new chapter on Legislative Fiscal and Budget Analysis;
- (3) Reducing the number of Joint Legislative Budget Committee members from 14 to 10;
- (4) Providing that the Legislative Analyst be appointed for a four-year term;
- (5) Providing that the Joint Legislative Budget Committee may remove the Legislative Analyst from office by a three-fourths votes for cause;
- (6) Providing that the Joint Legislative Budget Committee shall fix the salary of the Legislative Analyst;
- (7) Providing that the Legislative Analyst may employ other clerical and technical employees and providing that the Legislative Analyst and other employees are entitled to participate in employee benefit plans or privileges available to state employees;
- (8) Amending the sum appropriated for the operations of the Office of the Legislative Analyst;
- (9) Amending the sum appropriated for facilitating more efficient operation and management of the Legislature;
- (10) Amending the sum appropriated to the Department of Education, the University of Hawaii, the Department of Budget and Finance, and the Department of Accounting and General Services for improved access;
- (11) Amending the effective date to take effect on July 1, 1990; and
- (12) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2338, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2338, S.D. 1, H.D. 2, C.D. 1.

Representatives Fukunaga, Souki, Alcon, Apo, Ihara, Okamura and Liu,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Aki, A. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 159 on S.B. No. 3334**

The purpose of this bill is to provide a tax credit against an employer's tax liability for hiring persons with disabilities who encounter significant barriers to employment. The targeted jobs credit for a taxable year is equal to forty per cent of

the first year wages paid to all newly hired vocational rehabilitation referrals for that year. The amount of the first-year wages that may be taken into account for each qualified individual shall not exceed \$6,000 per year.

Your Committee has amended the bill to change the amount of the credit to twenty per cent of the first year wages paid to all newly hired vocational rehabilitation referrals for that year. Your Committee believes that a twenty per cent tax credit will achieve the goal of the bill to encourage employers in the State to hire individuals who suffer from physical or mental disabilities.

Your Committee has also amended the bill by including in the definition of "vocational rehabilitation referral" any individual certified by the Department of Human Services Vocational Rehabilitation and Services to the Blind Division in consultation with the Hawaii State Employment Service of the Department of Labor and Industrial Relations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3334, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3334, H.D. 1, C.D. 1.

Representatives Takamine, Fukunaga, Baker, Horita, M. Ige, Ihara, Taniguchi and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Mizuguchi, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 160 on S.B. No. 2776**

The purpose of this bill is to afford relief to anyone in the State who has made use tax payments to the State where the use tax payments were also being made by another taxpayer. The bill establishes a twenty-year statute of limitations for claims based upon duplicate payment, requires the claimant to prove the tax for which the claim is made was not passed through to a third party, limits the amount of any credit or refund to thirty per cent of the total eligible claim if the claim is not filed within three years after payment of tax, and requires any refund due to be made in three annual installments.

Upon further consideration, your Committee has amended this bill by limiting its effects to afford relief to General Motors dealers in Hawaii who made use tax payments to the State on imported automobiles from 1969 to 1978, not realizing that the General Motors Overseas Distribution Corporation had made duplicate tax payments on the same automobiles. The bill as amended waives the statute of limitations to a claim for a credit or refund for those dealers.

Your Committee finds that in all fairness the duplicate payments should be returned as a credit or refund, and that no interest shall be due by the State on any claim filed pursuant to this bill. Any credit or refund shall be paid in one lump sum, rather than three annual installments. In order to alleviate concerns that the bill would subject the State to an unknown number of claims, your Committee states that this bill remedies a unique situation and is not meant in any way to set a precedent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2776, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2776, H.D. 1, C.D. 1.

Representatives Souki, Fukunaga, Horita, Say, Tajiri and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 161 on S.B. No. 2377**

The purpose of this bill is to ensure the fiscal integrity of the State by subjecting all existing special and revolving funds to a one-time evaluation by the legislative auditor and by establishing a review process for all new and proposed special and revolving funds.

Upon further consideration, your Committee has made technical, nonsubstantive amendments to the bill as follows:

- (1) On page 5, line 9, the misspelled term "automotic" was corrected to "automatic".
- (2) On page 13, line 13, the initial capitals from the term "department of personnel services" were changed to lower case.
- (3) On page 14, line 17, the term "facilities" was changed to "facility".
- (4) On page 15, line 17, the term "statewide" was changed to "systemwide".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2377, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. no. 2377, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Fukunaga, Horita, Leong and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Hagino, Ikeda, A. Kobayashi and George,

Managers on the part of the Senate.

**Conf. Com. Rep. 162 on S.B. No. 3119**

The purpose of this bill is to amend the tobacco tax law by establishing a different tax rate for cigarettes. At present, all tobacco products are taxed alike at forty per cent of wholesale value. This bill would create a different tax rate for cigarettes, which would be taxed at a rate of 1.8 cents per cigarette.

Your Committee finds that this type of tax will bring the method of taxation of cigarettes in line with those of other states, and that this change is both fair and reasonable.

Your Committee has amended this bill by changing the tax from 1.8 cents per cigarette to 2 cents per cigarette.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3119, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3119, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Horita, Say, Tajiri and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Levin, Matsuura and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 163 on S.B. No. 3128**

The purpose of this bill is to allow the counties to establish a general excise and use tax surcharge for a period of ten years. The moneys collected from this surcharge may be utilized by the city and county of Honolulu to finance a fixed rail rapid transit system, and by the counties of Hawaii, Kauai, and Maui for infrastructure and park needs.

Your Committee finds that all counties have infrastructure needs for which they do not have sufficient revenue raising capabilities--the neighbor islands with park and general infrastructure needs, and the city and county of Honolulu with a growing transportation problem. Your Committee has reviewed the financial situation of the State and finds that there is little left of the surpluses that the State has enjoyed during the last few years. In fact, the carry-over of moneys will be the bare minimum necessary for the appropriate revenue cushion recommended by national and state financial officers.

Your Committee finds that in addition to continuing with the State's highway maintenance and construction programs, it is imperative that initiatives be continued to lessen the number of motor vehicles on our highways. Your Committee further finds that mass transportation or, more specifically, the transportation of individuals by bus or a fixed rail rapid transit system is a very viable means of lessening the increase in the number of motor vehicles on our highways. Your Committee also finds that the capital costs for the development of an efficient bus or fixed rail rapid transit system are substantial and has reviewed the alternative revenue sources to fund this development. To ask the city and county of Honolulu to fund a fixed rail rapid transit system by itself would mean a very substantial increase in real property taxes, gasoline taxes, or some combination of those and other taxes. As your Committee indicated, the highly publicized state surplus no longer exists, and the use of existing state revenues to totally fund the system would mean a substantial reduction in state programs. Many of these state programs are only now receiving the necessary level of funding due to the fact that during the period 1976 to 1985, the State was required to spend more than it received in revenues in six of the ten years. As a result of the previous shortfall in revenues, a backlog in State infrastructure and program needs has built up which the State needs present revenues to overcome.

With this determined, your Committee finds that the City and County of Honolulu is in the process of developing a fixed rail rapid transit system for Oahu. The City, even with the State's assistance, will be unable to absorb the estimated \$1.4 billion required to build such a system, and assistance from the federal government is necessary. Your Committee further finds that the City's fixed rail rapid transit project appears eligible to receive assistance from the federal government for approximately thirty per cent of the total design and construction cost.

Your Committee also finds that various entities interested in building a fixed rail rapid transit system in Honolulu have indicated that they are willing to absorb some or all of the construction cost in return for various development rights and concessions. Your Committee is persuaded that private sector funding is available and that the funding for a fixed rail rapid transit system must be pinned down this legislative session.

Your Committee finds that the best way to pay for a fixed rail rapid transit system is to provide for thirty per cent federal funding, thirty-five per cent private sector funding, and thirty-five per cent state funding. The state funding is found in S.B. No. 1719 which provides for a transit capital development fund into which the State shall place \$53 million a year to be matched by the City and County of Honolulu with private sources' matching funds.

This bill provides that if the Director of Finance determines that the private sector revenues are not adequate, then and only then, in 1993, for a period of ten years, shall a one-half per cent general excise and use tax surcharge come into being.

Your Committee notes that in discussion of the effects of the county surcharge, various individuals have stated that the general excise tax is really equal to a twelve per cent sales tax or a twenty per cent sales tax if we use the California tax rate and tax base. Therein lies a serious misrepresentation to the public. California has a tax base which is limited to retail sales and which does not include food or services. Hawaii, on the other hand, taxes food, all services, and many other purchases that California does not tax. Your Committee notes that the reference to a twelve per cent sales tax is

equally incorrect as that figure is based on a substantially smaller tax base as part of a hypothetical problem posed to one of the consultants to the first Tax Review Commission. Let there be no misunderstanding, Hawaii does not have a sales tax, and theoretical conversions of the general excise tax are not equal to a twelve or twenty per cent sales tax. The general excise tax rate is four per cent, and the combined general excise tax and county general excise and use tax surcharge if established by any county will be four and one-half per cent.

Your Committee finds that the needs of the City and County of Honolulu for a fixed rail rapid transit system and the needs of the other counties for infrastructure mandate that the issue be met. As a State, we can no longer ignore the growing infrastructure problems on the neighbor islands. As has been pointed out, it will cost money to build a fixed rail rapid transit system and to meet infrastructure needs. It has been proposed that the surplus be used to meet these needs, but the conference committee on the budget finds no surplus. Projections of surplus are just that, projections. Until the projections come to fruition, your Committee cannot recommend funding the needs set forth in this bill through the use of "estimated" surpluses. A review of the ten years from 1976 to 1985 earlier in this committee report shows that surpluses are not a condition which the State can always expect to enjoy. With the present drop in the value of the Japanese yen relative to the dollar, now is not the time for fiscal bullishness. Your Committee also notes that projections of the Council of Revenues indicate that there will be a substantial surplus in 1995. Your Committee has reviewed some of the five-year projections of the Council on Revenues and notes that in 1984, the Council was fourteen per cent under in its projections for 1989 or more than \$400 million under the actual revenues. Economic projections, no matter how conservative, cannot be relied upon for funding projects of the magnitude proposed in this bill. A real chance exists that the income tax reductions during the past four years (amounting cumulatively through 1989 to \$325 million) would be jeopardized, if forecasted surpluses were relied upon for these purposes.

Your Committee has reviewed the argument that the surcharge raises moneys that will be paid back through an income tax credit at a later date to the same people who paid the surcharge suggested later in this committee report. While it is true that residents who pay the surcharge will receive the credit, the fact is that the county government establishing the surcharge will receive the revenue while the State will pay out the credit from state revenues. Further, in many instances, through withholding or other means, taxpayers will keep the credit they later claim when filing income taxes, and the State will not have use of the money for any period of time. This is not taking money from one state pocket and placing it in another pocket.

Your Committee has reviewed the method of returning the surcharge to the county. Two methods have been suggested: first, return the surcharge revenues to the county in which they are raised, and second, return the surcharge based on a state resident formula. After considering the two methods, your Committee is of the opinion that the first method should be used to return the surcharge revenues to taxpayers in the county which they are raised. This is particularly true in light of the possibility that not every county may establish a surcharge, and the county that does not establish a surcharge will not receive any revenues, nor should a county receive revenue that it did not raise.

In order to allow the counties sufficient time in which to adopt the surcharge, your Committee has fixed the date by which establishment should take place as before October 1, 1992.

In order to address the possibility that each county may use its authority to establish a one-half per cent general excise and use tax surcharge for fixed rail rapid transit system or other infrastructure, your Committee analyzed the general excise tax and its imposition. One of the most discussed aspects of the general excise tax is that, depending on the situation, it may pyramid. That is, one seller may attempt to pass the tax to a second seller who, in turn, may attempt to pass the first seller's taxes plus the tax on the second seller to the ultimate consumer. If this is diagrammed, an interesting result is highlighted. The following diagram is admittedly simplistic, but it is intended to show results and not to be accurate in reflecting profits, pyramids, failure to pass on taxes, or other details. It is assumed that a one-half per cent tax is passed on in each transaction and that each seller has a profit of \$2.

A		B		C		Consumer
\$2.00	1¢	\$2.00	1¢	\$2.00	1¢	\$6.03
		\$2.00	1¢	\$2.00	1¢	
				\$2.00	1¢	
	1¢		2¢		3¢	

Remembering that this illustration is used simply to get a point across, what is apparent is that A pays 1 cent to the State, B pays 2 cents to the State, and C pays 3 cents to the State. What also is apparent is that the consumer only pays 3 cents in taxes while the State collects 6 cents.

Looking at this admittedly simple analysis, what became clear to your Committee is that Hawaii individual consumers do not pay the full amount of the general excise tax paid to the State, but instead pay something less than the full amount collected. (In the above illustration, one-half of the tax is paid by the consumer.) Thus, your Committee believes that in offsetting the impact of the county general excise and use tax surcharge, not all of the total collected would have to be returned.

A further indication of this follows from an analysis of individual expenditures as a percentage of adjusted gross income. Upon review, it became clear to your Committee that individuals do not expend all of their income upon purchases that are subject to the general excise tax. Between forty and forty-five per cent of an individual's income goes to federal and state taxes, mortgage payments, and other expenditures which are not subject to the general excise tax. This is true at all income levels; the amount of adjusted gross income used for purchases subject to the general excise tax varies between fifty-five and sixty per cent of that income. Multiplying sixty per cent of adjusted gross income by .005 gives the amount the taxpayer may have expended for the county surcharge.

In order to further consider this aspect of the general excise tax, your Committee next analyzed personal consumption expenditures published by the department of business and economic development for 1985. These figures represent

Hawaii individual expenditures and not expenditures by others (which your Committee will discuss later). These figures include expenses for nontaxable items such as mortgage costs. In 1985, Hawaii individual expenditures equaled \$10.3 billion. Inflating to 1990 dollars and subtracting nontaxable items, this translates to \$46 million in surcharge taxes that might be paid in calendar year 1990, if the counties were to enact the county one-half per cent surcharge.

To further cross-check its figures, your Committee used another source--total income reported to the department of taxation in 1987, which equaled \$10.4 billion. Using the sixty per cent of adjusted gross income as mentioned above inflated to 1990 dollars, this yields \$44 million in taxes for calendar year 1990, if the surcharge tax is collected at the one-half per cent rate.

In making its final analysis, your Committee examined the composition of the approximately \$125 million that might be raised by the county surcharge rate of one-half per cent and the payors of that tax. The following represents that analysis:

Total County Surcharge Collections	\$125.0 million
Distribution of County Surcharge Tax:	
Amount paid by resident businesses and others	\$ 81.0 million
Amount paid by individual taxpayers	\$ 44.0 million

Based upon the analysis preceding this discussion, the amount of moneys that is necessary to fund the credit would be \$50 million. The credit will be a variable credit in that, unlike flat credits, and disappearing credits which involve reducing the amount of credit as income goes up, the variable credit will increase as income rises in order to offset the amount of county surcharge paid. This is based on the preceding analysis of adjusted gross income; as adjusted gross income rises, more income is used for purchases and will be subject to the county surcharge tax. Thus, the credit will increase to match the surcharge expenditures. Unlike flat credits and disappearing credits, which serve other purposes, the variable credit will focus the credit to the expenditure patterns of individuals with a fair degree of accuracy as expenditures are based upon disposable income.

As your Committee discussed earlier in this Report, the revenues to be raised by the county surcharge are paid by different business and individual taxpayers and by different income levels of individual taxpayers. Because the composition of adjusted gross income may vary and the expenditure patterns of individuals and families may vary, there will be some variance in receipt of the credit. In particular, your Committee has capped the credit at \$450, due to the large amounts of discretionary income which may be used for expenditures at the higher income level, and has set a minimum credit of \$18 for those with adjusted gross incomes of less than \$5,000 or those having no adjusted gross income.

The variable credit which your Committee recommends would be based on the sixty per cent of adjusted gross income formula discussed above. That is, adjusted gross income would be multiplied by sixty per cent. The resultant figure would then be multiplied by .006 to determine the amount of the credit. The .006 figure was chosen to offset to a certain extent the pyramiding aspect of the general excise tax which, at four per cent, has itself been found by the first Tax Review Commission to be at most one per cent.

Your Committee has provided further that if private sector revenues are inadequate, the general excise and use tax surcharge may take effect on January 1, 1993. In addition, should a surcharge become necessary, the transfer of \$53 million of State revenues to the transit capital development fund will terminate. Your Committee strongly believes that the \$53 million then should be used to offset the surcharge, if the surcharge must be imposed due to the unavailability of private sector revenues.

Your Committee has made other technical amendments for the purposes of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3128, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3128, S.D. 2, H.D. 2, C.D. 1.

Representatives Oshiro, Tom, Souki, Baker, Fukunaga, Horita, Okamura, Say, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, A. Kobayashi, Matsuura and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 164 on S.B. No. 1719**

The purpose of this bill, as received, is to ensure a safe, reliable, efficient, and convenient transportation system in the State by:

- (1) Establishing a state transit capital development fund to assist the counties with the capital and construction costs involved in developing mass transportation;
- (2) Transferring general excise tax revenues totalling \$2 per year from September 1, 1991 through 2005 to the state transit capital development fund; and
- (3) Transferring general excise tax revenues totalling \$80 million per year from 1990 through 1994 to the state highway fund.

Your Committee finds that an integrated transportation system that services statewide needs and promotes safe, reliable, efficient, and convenient movement of people and goods is of vital concern to our island state and is central to Hawaii's economic development.

It is imperative that initiatives be continued to lessen the number of motor vehicles on our highways. Mass transportation or, more specifically, the transportation of individuals by bus or fixed rail rapid transit is a very viable means of reducing the number of motor vehicles on our highways. Your Committee finds that the capital costs for the development of an efficient bus or fixed rail rapid transit system may be substantial and agrees that a reasonable distribution of financial responsibility between participating governments and private parties is essential.

It is your Committee's understanding that the City and County of Honolulu is in the process of developing a fixed rail rapid transit system for Oahu. However, the City will be unable to absorb the estimated \$1.4 billion required to build such a system and that assistance from state, federal, and private sector sources is imperative. Your Committee further finds that the City's fixed rail rapid transit system is eligible to receive assistance from the federal government for approximately 30 percent of the total construction costs.

Your Committee finds that various entities interested in building a fixed rail rapid transit system in Honolulu have indicated that they are willing to absorb some or all of the construction costs in return for various development rights and concessions. However, your Committee is cognizant that in order to adequately compensate such an entity for its \$1.4 billion outlay, the land use development rights and concessions requested may not be conducive to the people. At the same time, your Committee believes that should a private entity be requested to absorb a lesser portion of the total construction cost, a reasonable compromise may be attained.

With regard to the Neighbor Islands, your Committee finds that several counties presently have bus systems and are in need of financial assistance to purchase new buses. Your Committee also finds that private sector entities such as the visitor accommodation industry, which is currently experiencing problems in retaining a sufficient number of employees, may be willing to contribute toward the enhancement of existing bus systems or even the creation of a new bus system.

Upon further consideration, your Committee has amended the bill by:

- (1) Changing the name of the fund from state transit capital development fund to the transit capital development fund;
- (2) Inserting a purpose clause into the new chapter creating the fund;
- (3) Adding a new definition of "transit fund";
- (4) Amending the definition of "private source revenue";
- (5) Providing that the Director of Finance shall administer the fund;
- (6) Allowing the counties to use private source revenues, county revenues, or both for the matching requirements;
- (7) Requiring a more specific breakdown of costs and anticipated funding sources including the amount being requested and the source of county matching funds to be included in the development agreement;
- (8) Adding a new section specifying that a development agreement shall provide that the obligation to disburse funds from the transit fund is a limited obligation payable solely from moneys on deposit in the transit fund;
- (9) Adding a new section providing that each year from fiscal year 1992 through 2008, the Legislature shall appropriate to the transit fund the sum of \$53,000,000 or so much thereof as may be necessary for the purpose of financially assisting counties for capital costs in developing mass transportation;
- (10) Adding a new section requiring the Director of Finance to determine if the private source revenues relating to the development agreement are inadequate and to report the findings to the Legislature;
- (11) Deleting the provision which transferred general excise tax revenues totalling \$2 per year from September 1, 1991 through 2005 to the state transit capital development fund;
- (12) Deleting the provision which transferred general excise tax revenues totalling \$80 million per year from 1990 through 1994 to the state highway fund; and
- (13) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1719, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1719, S.D. 1, H.D. 2, C.D. 1.

Representatives Oshiro, Souki, Baker, Fukunaga, Okamura, Say, Tom, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, A. Kobayashi, Matsuura and Koki,  
Managers on the part of the Senate.



**Conf. Com. Rep. 165 on S.B. No. 3128 (Majority)**

The purpose of this bill as originally received was to allow the counties to establish a general excise and use tax surcharge for a period of five years. The moneys collected from this surcharge may be utilized by the City and County of Honolulu to finance a fixed rail rapid transit system, and by the counties of Hawaii, Kauai, and Maui for infrastructure and park needs.

Your Committee finds that all counties have infrastructure needs for which they do not have sufficient revenue raising capabilities--the neighbor islands with park and general infrastructure needs, and the City and County of Honolulu with a growing transportation problem.

Your Committee finds that the best way to pay for a fixed rail rapid transit system is to provide for thirty per cent federal funding, thirty-five per cent private sector funding, and thirty-five per cent state funding. The state funding is found in S.B. No. 1719 which provides for a transit capital development fund into which the State shall place \$53 million a year to be matched by the City and County of Honolulu with private sources' matching funds.

Your Committee has amended this bill to provide that if the Director of Finance determines that the private sector revenues are not adequate, then and only then, in 1993, for a maximum period of ten years, would a one-half per cent general excise and use tax surcharge come into being. Your Committee has also provided that for each year that the one-half per cent general excise and use tax surcharge is in effect, the State will provide \$50 million in variable tax credits.

Your Committee also made other technical amendments for the purposes of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3128, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3128, S.D. 2, H.D. 2, C.D. 2.

Representatives Oshiro, Tom, Souki, Baker, Fukunaga, Horita, Okamura, Say, Yonamine and Marumoto,  
Managers on the part of the House.  
(Representative Marumoto did not concur.)

Senators Yamasaki, Fernandes Salling, Hagino, A. Kobayashi, Matsuura and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 166 on S.B. No. 2597**

The purpose of this bill is to reduce the top tax bracket from ten per cent to nine per cent, reduce the number of tax brackets from eight to four, increase the standard deduction amounts, and combine the food and excise tax credits into one food/excise tax credit.

Your Committee on Conference has reviewed this bill in view of the present revenue picture, and particularly, the current rise of the yen against the dollar. In consideration of these factors, your Committee has amended the bill to delete all provisions except those combining the food and excise tax credits. Your Committee recognizes the importance of retaining the existing food tax credit. The bill retains the food credit which was due to expire on December 31, 1990 by combining it with the excise tax credit to form a permanent food/excise tax credit. In addition, your Committee increased the flat portion of the credit from \$45 to \$55.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2597, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2597, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, A. Kobayashi, Matsuura and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 167 on S.B. No. 2376**

The purpose of this bill is to provide a tax credit to satisfy the constitutional requirement under Article VII, section 6, of the Hawaii State Constitution, that the legislature provide a tax refund or tax credit to the taxpayers of the State whenever the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years.

This bill provides a tax credit of \$1 to each resident taxpayer who files an individual income tax return, regardless of adjusted gross income; but does not include persons confined in correctional facilities for the entire taxable year.

Your Committee has amended this bill by allowing a tax credit of \$60, rather than \$1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2376, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2376, S.D. 1, H.D. 1, C.D. 1.



Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanohe, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 200 on H.B. No. 2864**

The purpose of this bill is to increase the maximum annual compensation for Criminal Injuries Compensation Commission (Commission) members from \$6,600 to \$10,000 a year.

Your Committee recognizes the House agreement to the Senate deletion of language referring to those citizens appointed to the Commission in 1968, 1969, and 1970, and to technical nonsubstantive changes in this bill. Your Committee has amended this bill by adding a new SECTION which states the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements, and renumbering consecutively the remaining sections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2864, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2864, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Fukunaga, Amaral, Hiraki, Hirono, M. Ige, Isbell and Anderson,  
Managers on the part of the House.

Senators Yamasaki, McMurdo and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 201 on H.B. No. 2865**

The purpose of this bill is to appropriate sufficient funds out of the general revenues of the State to pay victims of crimes who were awarded compensation by the Criminal Injuries Compensation Commission in 1989.

Your Committee after further consideration has amended this bill by:

- (1) Adding a new SECTION 1 which states the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.
- (2) Renumbering consecutively the remaining sections;
- (3) Deleting a comma, in SECTION 2 after the words "certain persons" on page 1, line 13; and
- (4) Deleting another comma, in SECTION 2 after the words "of services" on page 1, line 14.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2865, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2865, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Souki, Amaral, Hiraki, Hirono, M. Ige and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 202 on H.B. No. 2871**

The purpose of this bill is to provide general fund appropriations to satisfy claims against the State of Hawaii for refunds, reimbursements, payments of judgments, settlements, and other payments.

Your Committee amended this bill as follows:

- (1) Adding a new SECTION 1 stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the State spending limits to comply with constitutional and statutory requirements and renumbering the subsequent sections as appropriate; and
- (2) Adding eight new claims to the JUDGMENTS AGAINST THE STATE AND SETTLEMENT OF CLAIMS section of the bill. Final documentation on these claims was received after completion of the Senate draft of this bill and these amendments are intended to make this bill reflect the current claims being resolved. These claims are those of Ako v. Office of Hawaiian Affairs, Espino v. State and Septimo v. State, Gaut v. Sunn, Howes v. State, Robinson v. Ariyoshi, In re Stadium Authority, Koyanagi v. State, and Dunaway v. State.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2871, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2871, H.D. 2, S.D. 1, C.D. 1.

Representatives Metcalf, Souki, Fukunaga, Hagino, Hiraki, Hirono and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo,  
Menor, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 203 on H.B. No. 2884**

The purpose of this bill is to provide equitable salary adjustments for the following public officers and employees: the members of the Hawaii Labor Relations Board, the Executive Director of Housing Finance and Development Corporation, the members of the Public Utilities Commission, the Director of the Office of Veteran Services, and the members of the Labor and Industrial Relations Appeals Board.

Your Committee has amended this bill as follows:

- (1) By adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) By adding a new section providing a salary adjustment for the Director of the Ethics Commission; and
- (3) By making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2884, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2884, H.D. 2, S.D. 1, C.D. 1.

Representatives Takamine, Souki, Hirono, Horita, Say, Tajiri, Yonamine and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Mizuguchi, Nakasato, Solomon and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 204 on H.B. No. 2986**

The purpose of this bill is to provide the Department of Budget and Finance with the authorization to issue special purpose revenue bonds for the purpose of assisting Linguatron (USA) Limited with the establishment of an electronic computer equipment assembly plant and related facilities. The funds shall be issued provided that a patent is acquired from the United States government for the essential elements to be manufactured by Linguatron (USA) Limited.

Your Committee finds that under Part III, Chapter 39A, the Department of Budget and Finance, with the approval of the Governor, is authorized to issue special purpose revenue bonds for assisting manufacturing enterprises.

Linguatron (USA) Limited, a Hawaii corporation, is involved in the commercialization of high technology machines, which will ultimately form a sophisticated communications equipment system that will break communications barriers between persons who speak or write in different languages. Your Committee finds that this corporation will assist in the diversification of Hawaii's economy and produce new engineering, software, and assembly jobs for our citizens.

The bill has been amended by deleting the language of Senate Draft 2 and inserting the language of House Draft 2. The purpose of the bill remains the same, however, the requirement for Linguatron (USA) Limited to obtain patents from the U.S. government has been deleted. Your Committee was informed that Linguatron (USA) Limited has already obtained patents from the U.S. government. In addition \$10,000,000 in special revenue bonds has been authorized to assist the establishment of the facility.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2986, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2986, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Souki, Say, Stegmaier and O'Kieffe,  
Managers on the part of the House.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 205 on H.B. No. 2789**

The purpose of this bill is to give retirants a special cost of living bonus for each year of the retirant's service.

Pursuant to Hawaii's Collective Bargaining Law (Chapter 89, Hawaii Revised Statutes), it has been the practice of the Legislature to grant retirants the same pay increase as employees in active service. Since the enactment of Chapter 89, retirants have had to approach the Legislature to request pension adjustments.

Your Committee has amended this measure to increase the amount of the special cost of living bonus received by retirants or pensioners having ten or more years of service, and it shall have a cumulative amount to include all previous bonuses and shall not exceed:

- (1) \$1.25 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of five years by July 1 in the year in which the bonus is effective;
- (2) \$2.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of ten years by July 1 in the year in which the bonus is effective;
- (3) \$4.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of fifteen years by July 1 in the year in which the bonus is effective;
- (4) \$6.00 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of twenty years by July 1 in the year in which the bonus is effective;
- (5) \$8.75 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of twenty-five years by July 1 in the year in which the bonus is effective; and
- (6) \$10.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of thirty years by July 1 in the year in which the bonus is effective.

Your Committee has also amended this measure to provide that any retirant or pensioner with ten or more years of service who on July 1 of the year in which the bonus is being calculated has been retired a minimum of twenty years and whose current bonus amount exceeds the maximum specified, shall nevertheless receive a pension increase of \$1.25 for each year of credited service.

The bonus shall be paid to retirants or pensioners with ten or more years of service or to their beneficiary who is receiving a monthly benefit from the Employees' Retirement System; provided that the requirement of ten or more years of service shall not apply to a person who retires with fewer than ten years of service because of a service-connected disability.

Your Committee has further amended this measure by:

- (1) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit;
- (2) Inserting the sum to be appropriated for the purposes of this measure; and
- (3) Amending the effective date so that the Act will be repealed as of June 30, 1995 to allow the Legislature time to review the impact of this measure.

It was never the Legislature's intent to have retirants and pensioners approach the Legislature to request pension adjustments when Chapter 89, Hawaii Revised Statutes, was enacted. In recognition of the valuable service rendered to public service by our retirants and pensioners, your Committee agrees that a better method of properly providing for government retirants and pensioners must be instituted to enable them to keep up with the rising cost of living. Your Committee has added the automatic repeal date to enable the Legislature, during the five-year period before this Act is repealed, to review all the possible methods and means to ensure that retirants and pensioners are able to receive automatic increases. By exploring all the possible funding mechanisms available, including evaluating the percentage of excess earnings maintained in the Employees' Retirement System funds, it is your Committee's intent to enable the retirants and pensioners to receive the necessary adjustments to keep up with the cost of living.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2789, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2789, H.D. 2, S.D. 2, C.D. 1.

Representatives Takamine, Souki, Baker, Bybee, Horita, Ihara and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Hagino, A. Kobayashi, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 206 on H.B. No. 2891**

The purpose of this bill is to clarify the Employees' Retirement System law with regard to the following:

- (1) Contributions made by firefighters, police officers, corrections officers, investigators of the prosecutors' and the attorney general's offices, and narcotics enforcement investigation;
- (2) Credits for military service; and

- (3) Acquisition of credit by noncontributory members at no cost.

Your Committee has amended this measure by correcting a typographical drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2891, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2891, H.D. 2, S.D. 2, C.D. 1.

Representatives Takamine, Souki, Fukunaga, Horita, Tajiri, Taniguchi and Anderson,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Mizuguchi, Nakasato and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 207 on H.B. No. 1148**

The purpose of this bill, as received, is to share the tax revenues generated by the transient accommodations tax (TAT) with the counties by:

- (1) Amending the definition of "gross rental" or "gross rental proceeds" to exclude taxes imposed by the TAT;
- (2) Amending the TAT tax rate of 5 per cent to an unspecified rate;
- (3) Requiring that an unspecified percentage of the tax revenues be retained by the State and making an undetermined amount available for appropriation to the counties for improvement to the infrastructure and other tourism-related activities;
- (4) Requiring that the Director of Finance establish a separate special account into which an undetermined percentage of the tax revenues shall be deposited; and
- (5) Appropriating \$75,000 for fiscal year 1990-1991 to the Department of Budget and Finance to implement the provisions of the bill.

Your Committee agrees that a more equitable method of sharing state revenues with the counties must be provided. A stable and continuing source of revenue will enable the counties to provide for their needs. Currently, the counties must come before the legislature each year to request financial assistance. This process discourages long-range planning.

During this legislative session, both houses considered several proposals to determine the most equitable means of sharing state revenues with the counties. Among the proposals that were considered were the transfer of revenues collected from the transient accommodations tax, a portion of the public service company tax, animal fines, and unadjudicated traffic and parking fines and forfeitures to the counties.

Your Committee finds that the administrative costs and burdens of distributing revenues from several smaller sources will be considerably greater than the costs of distributing from one large source.

Your Committee also notes that tourism is the largest industry in Hawaii, and many of the burdens imposed by tourism falls on the counties. Increased pressures of the visitor industry mean greater demands on county services. Many of the costs of providing, maintaining, and upgrading police and fire protection, parks, beaches, water, roads, sewage systems, and other tourism related infrastructure are being borne by the counties.

Upon further consideration, your Committee has amended this bill in order to share the TAT revenues with the counties. More specifically, your Committee has amended this bill by:

- (1) Providing that 5 percent of the TAT revenues will be retained by the State to cover the administrative costs of assessment, collection, and disposition of the revenues, with the remainder of the TAT revenues will be distributed to the counties;
- (2) Specifying the percentage each county will receive from the 95 percent in TAT revenues as follows: the City and County of Honolulu will receive 44.1 percent, the County of Maui will receive 22.8 percent, the County of Hawaii will receive 18.6 percent, and the County of Kauai will receive 14.5 percent;
- (3) Allowing the counties to use the TAT revenues for any county purpose;
- (4) Specifying that all TAT revenues be paid into the state treasury within ten working days of collection and kept in special accounts;
- (5) Maintaining the current 5 per cent TAT rate; and
- (6) Deleting the appropriation section.

The Council of Revenues has estimated that \$90 million would be generated from TAT revenues for fiscal year 1991. Based on this projection and the formula provided in this measure, the counties would receive \$85.5 million with each county projected to receive the following:

City and County of Honolulu	\$37,500,000
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County of Maui	\$19,500,000
County of Hawaii	\$15,900,000
County of Kauai	\$12,400,000

Your Committee finds that sharing TAT revenues with the counties by distributing the revenues among the counties in proportion to the population of each county would best accomplish the intent of this measure in an equitable manner. Your Committee further finds that this method will provide the counties with a predictable, flexible, and permanent source of revenues.

Since your Committee intends this measure to be an equitable plan to distribute funds, your Committee notes that the Legislature may re-examine this TAT sharing mechanism if the county uses its present real property taxing powers to selectively impose a heavier burden on one industry over other industries who are currently paying the nonresidential real property tax rate.

The distribution of the TAT revenues to the counties does not mean that the Legislature has lessened its state support and commitment to the tourism industry. On the contrary, your Committee finds that because of tourism, Hawaii now enjoys economic prosperity. Your Committee further finds that past state support for tourism marketing and promotions programs have resulted in making tourism Hawaii's largest industry. It is the intent of your Committee to continue its financing of the Convention Center Authority and future funding for statewide tourism marketing and promotion to ensure the continued vitality of the tourism industry in Hawaii.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1148, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1148, S.D. 1, C.D. 1.

Representatives Cachola, Souki, Tom, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Holt, Ikeda, A. Kobayashi and McCartney,  
Managers on the part of the Senate.

**Conf. Com. Rep. 208 on H.B. No. 1576**

The purpose of this bill is to implement the constitutional mandate to provide a tax refund or tax credit when, under certain conditions, there is a surplus in the state general fund.

Article VII, section 6, of the Constitution of the State of Hawaii requires the Legislature to provide for a tax refund or tax credit to the taxpayers of the State whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years. Since these factors have been met, this bill is necessary to satisfy the constitutional mandate.

Your Committee upon further consideration has amended this bill to reflect a general income tax credit which shall be \$65 deducted from income tax liability.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1576, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1576, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 209 on H.B. No. 1148**

The purpose of this bill is to share the tax revenues generated by the transient accommodations tax (TAT) with the counties.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1148, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1148, S.D. 1, C.D. 2.

Representatives Cachola, Souki, Tom, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto,  
Managers on the part of the House.

Senators Yamasaki, Holt, Ikeda, A. Kobayashi, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 210 on H.B. No. 3095**

The purpose of this bill is to restructure the organization of the Department of Business and Economic Development to better serve the needs of the tourism industry in the State.

Your Committee has amended this measure to specify the appropriate agency to expend the appropriated moneys.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3095, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3095, H.D. 2, S.D. 2, C.D. 2.

Representatives Cachola, Souki, Baker, Hirayama, Horita, Oshiro, Tajiri and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Holt, Ikeda, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 211 on H.B. No. 2871**

The purpose of this bill is to provide general fund appropriations to satisfy claims against the State of Hawaii for refunds, reimbursements, payments of judgments, settlements, and other payments.

Your Committee has amended this bill by:

- (1) Substituting language in SECTION 1 to state "...the state general fund expenditure ceiling for fiscal year 1989-1990 to be exceeded by \$12,159,436, or 0.52 per cent" instead of "...the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$12,159,436, or 0.152 per cent"; and
- (2) Making a technical change in SECTION 5.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2871, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2871, H.D. 2, S.D. 1, C.D. 2.

Representatives Metcalf, Souki, Fukunaga, Hagino, Hiraki, Hirono and Anderson,  
Managers on the part of the House.

Senators Yamasaki, Menor, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 212 on H.B. No. 3357**

The purpose of this bill is to appropriate funds to maximize federal dollars in the State Medicaid program.

Your Committee finds that Medicaid financing provides a cost-effective alternative for enhancing and expanding the scope of health services provided to the high-risk population served by the Department of Health's programs. Your Committee believes that these services are essential to the health and well-being of the people of Hawaii and that expanding and supporting health care is the best possible investment to future generations.

Your Committee has amended this bill by amending line 11, page 7 of the bill, as received, as follows:

- (1) Inserting the phrase "the sum of" between the words "Hawaii" and "\$55,000"; and
- (2) Inserting the phrase "or so much thereof as may be necessary for fiscal year 1990-1991," between the words "\$55,000" and "for".

As amended, the sentence reads as follows: "There is appropriated out of the general revenues of the State of Hawaii the sum of \$55,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the creation of special medicaid staffing to implement medicaid option changes".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3357, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3357, H.D. 2, S.D. 1, C.D. 2.

Representatives Arakaki, Souki, Chang, Ihara, Leong, Shon and Liu,  
Managers on the part of the House.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 213 on H.B. No. 1718**

Your Committee on Conference has amended H.B. No. 1718, S.D. 2, by:

- (1) Adding two new sections containing the language necessary to comply with Constitutional and statutory laws relating to appropriations causing the state general fund to be exceeded for the fiscal years 1989-1990 and 1990-1991, providing the necessary appropriation amounts for the purposes of this bill, and renumbering subsequent sections as appropriate;
- (2) Increasing the salary of the Chief Justice of the Supreme Court from the proposed \$1 per year to \$90,699 per year beginning January 1, 1989, and \$94,780 per year beginning January 1, 1990;
- (3) Increasing the salary of the Associate Justices of the Supreme Court from the proposed \$1 per year to \$89,699 a year beginning January 1, 1989, and \$93,780 per year beginning January 1, 1990;
- (4) Increasing the salary of the Chief Judge of the Intermediate Appellate Court from the proposed \$1 per year to \$87,199 per year beginning January 1, 1989, and \$91,280 per year beginning January 1, 1990;
- (5) Increasing the salary of the Associate Judges of the Intermediate Appellate Court from the proposed \$1 per year to \$85,699 a year beginning January 1, 1989, and \$89,780 per year beginning January 1, 1990;
- (6) Increasing the salary of the Circuit Court judges from the proposed \$1 per year to \$82,699 per year beginning January 1, 1989, and \$86,780 per year beginning January 1, 1990;
- (7) Increasing the salary of the District Court judges from the proposed \$1 per year to \$77,699 a year beginning January 1, 1989, and \$81,780 per year beginning January 1, 1990;
- (8) Adding a new section increasing the salary of the Administrative Director of the Courts from \$68,400 a year to \$81,629 a year beginning January 1, 1989, and \$85,302 per year beginning January 1, 1990 and increasing the salary of the Deputy Administrative Director of the Courts from \$61,560 per year to \$74,608 per year beginning January 1, 1989 and \$77,966 a year beginning January 1, 1990;
- (9) Removing the provisions relating to appointment of District Court judges;
- (10) Adding a provision that the President of the Senate and the Speaker of the House of Representatives appoint a Joint Legislative Study Committee to study the effects of requiring applicants for District Court judgeships to go through a confirmation process;

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1718, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1718, S.D. 2, C.D. 1.

Representatives Metcalf, Souki, Fukunaga, Hiraki, Kawakami, Takamine and Anderson,  
Managers on the part of the House.

Senators A. Kobayashi, Yamasaki and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 214 on H.B. No. 2258**

The purpose of this bill is to establish a joint legislative management committee within the Legislature to establish general policy and to evaluate, supervise, and coordinate activities among the legislative support agencies.

Your Committee has amended this measure to allow the Speaker of the House of Representatives and the President of the Senate to have the authority to appoint members of this new committee upon the enactment of this measure. By doing so, this new committee will be able to begin operations in a timely manner.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2258, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2258, H.D. 2, S.D. 2, C.D. 2.

Representatives Fukunaga, Souki, Baker, Isbell, Okamura and Liu,  
Managers on the part of the House.

Senators Yamasaki, Aki, Hagino, A. Kobayashi and George,  
Managers on the part of the Senate.



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**SPECIAL COMMITTEE REPORT****Spec. Com. Rep. 1**

Your Committee on Credentials begs leave to report that it has thoroughly considered the matter of the seating of Noboru Yonamine as a member of the House of Representatives of the Fifteenth Legislature of the State of Hawaii.

Your Committee was referred the communication dated December 29, 1989, from the Governor of the State of Hawaii on the appointment of Noboru Yonamine to fill the vacancy created by the death of the former State Representative Roland M. Kotani. After reviewing the communication of appointment and the qualification of the appointee, your Committee finds the said appointee to be qualified and recommends that Noboru Yonamine be seated as a member of the House of Representatives from the Forty-Fourth Representative District.

Signed by Representatives Metcalf, Hagino, Amaral, Bellinger, Hiraki, Hirono, Peters and Cavasso.