

STANDING COMMITTEE REPORTS**SCRep. 1 Finance on H.B. No. 1**

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1992, and also for the expenses of the legislative support agencies during the 1991-1992 fiscal year.

Your Committee has amended this bill by approving and inserting the following specific appropriations:

SENATE AND HOUSE OF REPRESENTATIVES

Your Committee approves the sum of \$4,488,279 for the Senate and the sum of \$5,854,919 for the House of Representatives. Your Committee finds that the amounts are necessary to meet operating costs of the Legislature covering such items as equipment, supplies, staff services, and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$2,417,190 to meet the basic operating budget of the Office of the Legislative Auditor. The amount includes funds for special studies and other purposes to be jointly determined by the President of the Senate and the Speaker of the House of Representatives.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,953,325 for the Legislative Reference Bureau.

OMBUDSMAN

Your Committee approves the appropriation of \$673,226 for the Office of the Ombudsman.

LEGISLATIVE INFORMATION SYSTEM

Your Committee approves the appropriation of \$500,000 to the Senate and \$500,000 to the House of Representatives for the purpose of defraying the expenses of the legislative information system, nicknamed "SHADO". Your Committee finds that these amounts are necessary to meet equipment, consultant, supplies and other related expenses.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse on June 30, 1992.

Your Committee has further amended this bill by adding:

- (1) A new section appropriating \$650,000 to defray unanticipated costs by the Senate with the relocation of the Legislature to its new temporary building;
- (2) A new section appropriating \$650,000 to defray unanticipated costs by the House of Representatives with the relocation of the Legislature to its new temporary building; and
- (3) 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 \$12,643,198, or 0.49 per cent and that such expenditure is necessary to serve the public interest and to comply with constitutional and statutory provisions.

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

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

Signed by all members of the Committee.

SCRep. 2 Agriculture on H.B. No. 109

The purpose of this bill is to support research to solve the crop loss problems caused by the tomato spotted wilt virus and other cucurbit and solanaceous viruses. This bill would appropriate \$335,600 for fiscal year 1991-1992 and \$326,590 for fiscal year 1992-1993 to continue the research work on these virus problems.

The testimony from the College of Tropical Agriculture and Human Resources (CTAHR), the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation indicated that:

- (1) The tomato spotted wilt virus, zucchini yellow mosaic virus, watermelon viruses, and potato virus Y are the most important plant viruses which affect vegetable crops in Hawaii;
- (2) The tomato spotted wilt virus, for example, decreased the head and semi-head lettuce acreage by nearly 400 acres (60 percent) during the past 5 years. Similar virus-induced losses, although sporadic, have occurred in

other vegetable crops such as Italian squash, cucumber, romaine, green peppers, tomatoes, and watermelon; and

- (3) The virus-induced losses are substantial and these losses are expected to continue statewide.

Your Committee finds that the CTAHR, in cooperation with the Hawaii agricultural industry, has made significant progress in developing virus resistant tomato and lettuce varieties and in growing zucchini through specified treatments and practices.

Upon further consideration, your Committee has amended Section 2 of this bill to make the GACC the sole expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 109, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 3 Agriculture on H.B. No. 110

The purpose of this bill is to bring the low elevation demonstration farm under development on Maui into operation. This bill would appropriate \$52,500 for fiscal year 1991-1992 and \$22,500 for fiscal year 1992-1993 to provide for a greenhouse and a storage shed and to start the demonstration research projects.

The demonstration farm is located adjacent to the Hawaii Sugar Planters' Association Experiment Station in Puunene on lands contributed by the sugar industry through a no-cost, long-term lease. The farm is to be managed by the Maui County extension agents.

The testimony from the College of Tropical Agriculture and Human Resources, the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation indicated that:

- (1) There is increasing interest on Maui in alternative crops for sugarcane lands as the sugar industry moves toward its most economical acreage for future cultivation;
- (2) The selection of alternative crops is best based upon crop performance on sites that are climatically similar to the area in which acreage is anticipated to become available; and
- (3) There are 15,000 acres now in sugarcane on Maui which have similar conditions to the demonstration farm.

Your Committee finds that the research on the demonstration farm is needed to help the farmers and sugar companies to assess the marketability of alternative crops before making their production and marketing plans.

Upon further consideration, your Committee has amended Section 2 of this bill to make the GACC the sole expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 110, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 4 Agriculture on H.B. No. 111

The purpose of this bill is to strengthen the Department of Agriculture's (DOA) plant pest control program to meet its increasing demands for services to protect Hawaii's agriculture. This bill would appropriate \$186,000 for fiscal year 1991-1992 and \$239,000 for fiscal year 1992-1993 to increase the DOA's service capacity.

The testimony from the DOA, the College of Tropical Agriculture and Human Resources, and the Hawaii Farm Bureau Federation indicated that:

- (1) There has been an increase in the volume of people and materials entering the State, particularly in the visitor and diversified agricultural sectors;
- (2) Modern transportation has reduced the ocean's usefulness as a natural protective barrier against insect pests;
- (3) Each year two or three organisms have the potential to become established as extremely serious agricultural pests; and
- (4) Damage from agricultural pests is the major problem of Hawaii's agriculture industry.

Your Committee finds that with fewer and fewer chemical-based treatments available, Hawaii's avoidance of economic loss from pests will depend largely upon the DOA's capacity for early detection and identification of potential insect pests, for testing and evaluating beneficial biological control agents, and for mass production and release of biological control agents.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 111 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 5 Agriculture on H.B. No. 112

The purpose of this bill is to disseminate agricultural news and research information in language and format readily useful to the farmers. This bill would appropriate \$60,000 for fiscal year 1991-1992 to establish, publish, and distribute a news bulletin and a quarterly digest on a trial basis.

Testimony from the College of Tropical Agriculture and Human Resources, the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation indicated an urgent need for better communications between state and federal agencies and the agricultural community.

Your Committee finds that while many state and federal agencies publish and distribute information, the information for one reason or another does not readily reach the farmers. Your Committee believes the proposed news and quarterly digest can fill this need by assimilating, digesting, and consolidating relevant farm information from various sources and passing the information in summarized news bulletins and larger quarterly issues to the farmers.

Upon further consideration, your Committee recognizes the fiscal constraints currently faced by the State and suggests consideration of a subscription charge or a matching requirement should this publication be continued.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 112 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 6 Consumer Protection and Commerce on H.B. No. 1106

The purpose of this bill is to equalize the insurance premium tax rate assessed domestic and foreign insurers.

H.B. No. 1106 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1106, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1106, HD 1.

Signed by all members of the Committee.

SCRep. 7 Consumer Protection and Commerce on H.B. No. 2174

The purpose of this bill is to replace preferential tax rates given to Hawaii insurance companies with a single insurance premium tax rate for all domestic and foreign insurers.

H.B. No. 2174 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2174, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2174, HD 1.

Signed by all members of the Committee.

SCRep. 8 Consumer Protection and Commerce on H.B. No. 1777

The purpose of this bill is to ensure the availability of basic property insurance in areas exposed to natural disasters.

H.B. No. 1777 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1777, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1777, HD 1.

Signed by all members of the Committee.

SCRep. 9 Tourism on H.B. No. 776

The purpose of this bill is to promote international events.

H.B. No. 776 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 776, as amended herein, and recommends that it be recommitted to the Committee on Tourism, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 776, HD 1.

Signed by all members of the Committee.

SCRep. 10 Tourism and Higher Education and the Arts on H.B. No. 540

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to establish a pilot program at the University of Hawaii to develop tourism education and training curricula for remote instruction, through the use of distance learning technology.

Your Committees received testimony in support of the bill from the Department of Business, Economic Development, and Tourism, the University of Hawaii School of Travel Industry Management, the Chamber of Commerce Visitor Industry Committee, and the Hawaii Hotel Association.

Your Committees find that distance learning would be a cost-effective but significant step toward giving access to post-secondary educational opportunities to all the neighbor islands and other remote areas of the State, and that this would also help alleviate the critical shortage of trained workers in the neighbor island visitor industry caused by the lack of upper-level academic courses in travel industry management.

Your Committees find that instructors need to adapt existing curricula from the classroom to the distance learning format, and that existing media require adaption, such as computers, television, teleconferencing, professional video/graphic productions and materials, although the basic technological infrastructure currently exists.

Your Committees amended the bill by inserting funding levels of \$50,000 for fiscal year 1991 to 1992 and \$60,000 for FY 1992 to 1993, and designating the Tourism Training Council in the Department of Labor and Industrial Relations as the expending agency, rather than the Department of Business, Economic Development, and Tourism.

Your Committees also amended section 1 to include the need to adapt physical media and made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committees on Tourism and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 540, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 540, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 11 Tourism on H.B. No. 244

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of the Hula Bowl.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee amended the bill by deleting any reference to the Hawaii Visitors Bureau and substituting the Department of Business, Economic Development, and Tourism, and by changing the funding level to \$1 for fiscal year 1991 to 1992 and \$1 for fiscal year 1992 to 1993, for the purpose of further discussion.

Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 244, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 12 Tourism on H.B. No. 245

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of the Aloha Bowl.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee amended the bill by deleting any reference to the Hawaii Visitors Bureau and substituting the Department of Business, Economic Development, and Tourism, and by changing the funding level to \$1 for fiscal year 1991 to 1992 and \$1 for fiscal year 1992 to 1993, for the purpose of further discussion.

Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 245, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 13 Tourism on H.B. No. 242

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of the Honolulu Marathon.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, the Honolulu Marathon, and the Hawaii Hotel Association.

Your Committee amended the bill by deleting any reference to the Hawaii Visitors Bureau and substituting the Department of Business, Economic Development, and Tourism.

Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 242, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 14 Tourism on H.B. No. 777

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of the Aloha State Games.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, the Aloha State Games, and the Hawaii Hotel Association.

Your Committee amended the bill by deleting any reference to the Hawaii Visitors Bureau and substituting the Department of Business, Economic Development, and Tourism.

Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 777, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 15 Tourism on H.B. No. 246

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of the Hawaii Open Amateur Baseball Tournament.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee amended the bill by deleting any reference to the Hawaii Visitors Bureau and substituting the Department of Business, Economic Development, and Tourism, and by changing the funding level to \$1 for fiscal year 1991 to 1992 and \$1 for fiscal year 1992 to 1993, for the purpose of further discussion.

Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 246, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 16 Tourism on H.B. No. 543

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of the Great Aloha Run.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee amended the bill by deleting any reference to the Hawaii Visitors Bureau and substituting the Department of Business, Economic Development, and Tourism.

Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 543, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 17 Intergovernmental Relations and International Affairs on H.B. No. 1726

The purpose of this bill is to require the counties to assess each property only once while it remains with the owner of record at the time of the assessment. After the initial assessment, the assessment value should increase at the same rate as the consumer price index. The property shall not be reassessed until it changes hands, and then it will be reassessed to reflect its market value.

H.B. No. 1726 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1726, as amended herein, and recommends that it be recommitted to the Committee on Intergovernmental Relations and International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1726, HD 1.

Signed by all members of the Committee except Representative Horita.

SCRep. 18 Education on H.B. No. 7

The purpose of this bill is to delete the time restriction when the motor vehicle driver education training program can be conducted and to open the program to all State residents who are fifteen years of age and older, provided that high school students have first priority for enrollment.

Your Committee received testimony from the Department of Education (DOE) supporting the elimination of the time restriction when the program is offered. However, the DOE opposes opening the program to the adult population because of the long waiting lists of students who need to be accommodated in the program. The Committee also received testimony supporting the intent of the measure from the Department of Transportation and the Hawaii Parent, Teacher, Student Association.

Your Committee has made the following amendments to the bill:

- (1) Narrowed the enrollment of the motor vehicle driver education and training program to public and private students only; and
- (2) Made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 7, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 7, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 19 Education on H.B. No. 104

The purpose of this bill is to appropriate funds to purchase a replacement training vessel for the expansion of the Kailua High School boating program.

Testimony supporting the intent of this measure was submitted by the Department of Education; however, the Department recommends that vocational training for boating and ocean safety that utilizes a boat may be more fitting in a post-high school curriculum. Your Committee also received supporting testimony from the Department of Transportation, and the Marine Science Program Coordinator, the principal and students from Kailua High School.

It is noted that the Marine Science Program Coordinator at Kailua High School has devoted much time and effort to the Marine Science Program, both during in-school and after-school hours.

Your Committee recommends that the Marine Science Program Coordinator contact the U.S. Marshall's Office for the possibility of receiving a relinquished boating vessel from the U.S. Marshall's Office for the program at Kailua High School.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 104 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 20 Education on H.B. No. 178

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to provide for a resource teacher to assist teachers and school children in the county of Hawaii in better utilizing the facilities and resources of the Lyman House Memorial Museum and to enable the Museum to better serve school children and teachers. The funds would be expended by the Department of Education for the purposes of the appropriation.

Testimony in favor of the bill was received from representatives of the Lyman House Memorial Museum. The Department of Education testified that the Department supports the intent of the bill inasmuch as the Museum is a valuable resource in the community, but that the support is conditioned upon the fund being appropriated as additional funding to the Department's budget.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 178 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 21 Education on H.B. No. 447

The purpose of this bill is to appropriate \$93,466, for fiscal year 1991-1992, to the Department of Education to enable the Department to hire a district personnel specialist and a district business specialist to service the West Hawaii area on the island of Hawaii.

The Department of Education testified that due to the increasing student population in West Hawaii and the geographic size of the district, the Department supported the intent of the bill inasmuch as the creation of the positions would enhance services to West Hawaii schools and personnel. However, the Department's support was conditioned upon having the funds appropriated as additional funding to the Department's budget.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 447 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 22 Education on H.B. No. 153

The purpose of this bill is to protect education workers against terroristic threatening by amending Section 707-716 of the Hawaii Penal Code to include education workers of private schools. At the present time, the protection afforded by this particular statutory provision is limited to employees of public schools only.

Your Committee received supporting testimony from the Department of Education and the Police Department of the City and County of Honolulu.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 153 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 23 Education on H.B. No. 470

The purpose of this bill is to provide indemnification from liability for volunteers providing services to a parent-teacher association of a public school, at a function or activity of the association at the school, where the liability is based on the volunteer's act or failure to act while serving at the function or activity, unless the liability is caused by or results from

the volunteer's wilful and wanton acts or is fully covered by an insurance policy purchased by the State, the volunteer, or any other person. In the event that there is partial insurance coverage of the liability, State indemnification will apply to the remaining liability of the volunteer.

The Department of Education testified in support of the bill. The Department explained that concerns regarding the liability of such volunteers have been expressed to the Department by members of parent, teacher, and student organizations, and that the provisions of the bill may allay fears of liability as the volunteers provide services at legitimate functions and activities. The Department recommended that the bill be reviewed by the Department of Attorney General, as the provisions of the bill may relate to Chapter 90, Hawaii Revised Statutes.

Your Committee has amended the bill by revising the title of the proposed new section to clarify that the provisions apply to any parent, teacher, and student organization of a public school, as opposed to any one particular organization which may be known by the name of Parent-Teacher Association or other similar name.

Your Committee recommends that the Department of Education consult and work with the Department of Attorney General on this bill to ensure that there are no legal impediments or problems with the provisions of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 470, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 24 Higher Education and the Arts on H.B. No. 547

The purpose of this Act is to establish a committee to celebrate the arrival of the Filipinos to Hawaii.

H.B. No. 547 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 547, as amended herein, and recommends that it be recommitted to the Committee on Higher Education and the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 547, HD 1.

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

SCRep. 25 Higher Education and the Arts on H.B. No. 1604

The purpose of this bill is to amend Section 309-1.5, Hawaii Revised Statutes, by making a variety of technical changes regarding the operation of the private, not-for-profit corporation affiliated with United Student Aid Funds, Inc.

Because of the deferred return on student loans, banks may be reluctant to make smaller loans or first-time loans to students who will shortly graduate. This could potentially exhaust available lending capital and have a chilling effect on the availability of Guaranteed Student Loans to Hawaii students. Furthermore, Section 309-1.5 requires certain approvals which hinder the secondary market's ability to respond on a timely basis to the needs of participating student loan lenders. The Hawaii Education Loan Program testified that the proposed revisions to Section 309-1.5 will remove these hinderances. The University of Hawaii finds that passage of this bill will be of potential benefit to the University of Hawaii students as well as to Hawaii students attending other colleges and universities.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1604 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 26 Higher Education and the Arts on H.B. No. 1234

The purpose of this bill is to add a new section to Chapter 306, Hawaii Revised Statutes, which will clarify the existing statute by authorizing the University of Hawaii to develop real property and University projects in partnership with qualified developers and contractors. Testimony in support of this measure was received from the University of Hawaii.

Your Committee finds, in these uncertain economic periods, that it is imperative that the University explore extramural sources of funding for its many capital improvements. This bill provides the statutory framework for the University to pursue these funds.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1234 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 27 Higher Education and the Arts on H.B. No. 981

The purpose of this bill is to provide the University of Hawaii authorization to establish an alumni revolving fund.

Your Committee finds that such a revolving fund is needed to sponsor activities which are necessary to the development and expansion of plans initiated by the University alumni office and the University of Hawaii Alumni Association. The development of such programs will enable the University to build a comprehensive alumni program, which in turn benefits the entire community.

Your Committee received testimony in support of this bill from the University of Hawaii's Office of University Relations.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 981 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 28 Higher Education and the Arts on H.B. No. 919

The purpose of this bill is to create a special fund for operating the Waikiki Aquarium.

Testimony received from Bruce Carlson, Director of the Waikiki Aquarium, on behalf of the University of Hawaii stated that in 1979, the Legislature passed House Bill 1338 to allow the Waikiki Aquarium to accept donations. Permission to generate revenue to help operate the Aquarium has had an immense effect on their ability to offer high quality education programs, develop world-class exhibits, and to improve the overall appearance of the Aquarium. A special fund established by statute is necessary to enable the Waikiki Aquarium to continue its operations.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 919 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 29 Intergovernmental Relations and International Affairs on H.B. No. 1725

The purpose of this bill is to authorize the issuance of general obligation bonds to develop an international government house to be used for the purpose of encouraging international exchanges. The facility is envisioned to accommodate a range of Hawaii's international activities including high level discussions among heads of state and foreign ministers and social functions for visiting dignitaries.

H.B. No. 1725 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1725, as amended herein, and recommends that it be recommitted to the Committee on Intergovernmental Relations and International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1725, HD 1.

Signed by all members of the Committee except Representatives Hirono, Horita and Tam.

SCRep. 30 Higher Education and the Arts on H.B. No. 916

The purpose of this bill is to establish a permanent Martin Luther King, Jr. commission.

Act 220, Session Laws of Hawaii 1988, designated as a State holiday the third Monday in January to honor Martin Luther King, Jr. The proposed commission would coordinate all commission-sponsored celebration events and assist in other non-sponsored events commemorating Martin Luther King, Jr.

Governor Waihee in late November 1988 appointed an 11 member Martin Luther King, Jr. Interim Commission. However, many testified that a permanent commission is needed in order to appropriately commemorate the Martin Luther King, Jr. holiday.

In response to testimony received, your Committee has amended the bill to:

- (1) provide that the members for the commission be on a county rather than on an island basis;
- (2) provide flexibility so that appointments should not be restricted to only one member from each of the listed seven categories;
- (3) delete the military from the list of groups involved because they are included in the other categories;

- (4) delete the word celebration from the name of the commission because their responsibilities are not limited to just the celebration of the Martin Luther King, Jr. holiday, but may include assistance in other events commemorating Dr. King.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 916, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 31 Intergovernmental Relations and International Affairs on H.B. No. 422

The purpose of this bill is to establish stiffer penalties for violations of State firearms registration provisions.

Your Committee believes that stiffer penalties will encourage people to comply with the mandatory firearm registration requirements and subsequently aid in the control of illegal firearms. Representatives from the Prosecuting Attorney and the Honolulu Police Department expressed their support for this bill.

Upon further consideration, your Committee has amended this measure to make it a class C felony to transfer a firearm to a minor, possess another person's firearm, or to lend a firearm to a person prohibited from owning or possessing firearms.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 422, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 32 Water, Land Use and Hawaiian Affairs on H.B. No. 40

The purpose of this bill is to discourage violations of the State Water Code by amending section 174C-15, Hawaii Revised Statutes, to increase from \$1,000 to \$5,000 the maximum fine that the Commission on Water Resource Management may impose for violations of the State Water Code.

HRS Chapter 174C-2 sets forth the policy and purposes of the State Water Code and emphasizes that the Code be interpreted to obtain maximum beneficial uses of the waters of the State, to protect and improve the quality of the State's waters, and to conform with county land use planning. Given the importance of water to the State, it is appropriate that maximum efforts be made to ensure that the provisions of the State Water Code are diligently followed.

Increasing the upper limit of fines to \$5,000 will give the Commission greater flexibility in setting fines commensurate with the magnitude of the violation and the threat to the resource. Since the existing maximum fine of \$1,000 is inconsequential to some of the larger land owners, increasing the maximum fine will provide these landholders with greater incentive to conform to the Code, while preserving the Commission's option to invoke lesser penalties appropriate to those situations involving minor infractions.

Testimony submitted by the Environmental Center at the University of Hawaii drew attention to a possible legal loophole in the bill as written. In order to make it clear that the Commission has the power to impose a fine of up to \$5,000 per day for a continuing offense, your Committee has amended section 1, subsection (b), line 5 to read, "the fine shall not exceed [\$1,000] \$5,000[.] for each violation."

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 40, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 40, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 33 Housing on H.B. No. 101

The purpose of this bill is to allow the use of "portable housing" in high-risk areas as determined by any federal, state, or county agency.

H.B. 101 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 101, as amended herein, and recommends that it be recommitted to the Committee on Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 101, HD 1.

Signed by all members of the Committee.

SCRep. 34 Housing on H.B. No. 99

The purpose of this bill is to establish an affordable housing task force to assess, evaluate, and recommend methods of increasing the availability of affordable housing for the residents of the State of Hawaii.

Your Committee heard testimony concerning this bill from the Hawaii Housing Authority, the Housing Finance and Development Corporation, the Kokua Council for Senior Citizens, the Land Use Research Foundation of Hawaii, and the Building Industry Association of Hawaii.

The Hawaii Housing Authority supports the goal of the bill but notes that some functions of the task force duplicate the Housing Functional Plan Advisory Committee.

The Housing Finance and Development Corporation testified that the task force may duplicate the State Housing Functional Plan Advisory Committee and the former Council of Housing and Construction Industry. HFDC testified that if the bill is passed despite the duplication, that the task force should receive adequate staff and funding.

The Kokua Council for Senior Citizens testified that the task force might have long run value, but does not address the immediate critical emergency and might create complacency.

The Land Use Research Foundation testified in support of the bill.

The Building Industry Association of Hawaii testified in support of the bill stating that, although previous efforts may be duplicated, the problems to be addressed are now more compelling. They suggest that a compilation of previous studies be included and that the task force include members from the construction, hotel, and teacher's unions.

It was further noted that the Housing Functional Plan Advisory Committee, by statute, has a narrow scope in updating the Functional Plan and advising the Housing Finance Development Corporation.

The proposed affordable housing task force has a broader base of members, has ten specific primary focus areas and reports back to the Legislature prior to the 1992 Session.

This affordable housing task force was a recommendation from the HMSO study, "The Widening Gap: An Overview of Housing Affordability in Hawaii."

Your Committee has amended this bill by specifying the membership and organization of the task force more precisely. The amendments to the bill provide that the membership of the affordable housing task force is limited to 25 persons. The task force will be appointed by the Governor. Ten will be from a list of fifteen nominees submitted by the Speaker of the House, ten from a list of fifteen nominees submitted by the President of the Senate, and the remaining members will be nominated and appointed by the Governor. The task force must include at least one homeless person, in order to integrate the experience of a person who knows the actual situation of homelessness and can represent those who are homeless more effectively. The task force members will elect their own chairperson.

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

Signed by all members of the Committee.

SCRep. 35 Housing on H.B. No. 1969

The purpose of this bill is to appropriate \$1,463,000 for fiscal year 1991-1992 to plan and design a student housing facility at the University of Hawaii-Manoa campus.

A representative from the United Church of Christ testified that the lack of dormitory housing on the University of Hawaii at Manoa Campus has lessened the availability of rental housing in the State of Hawaii. Unable to obtain on-campus housing, approximately 1,000 students each semester find themselves searching for rental housing in Honolulu and the surrounding areas. The representative further testified that although ninety-eight percent of the student body work at either full-time or part-time jobs, the vast majority of students often are unable to earn enough to pay for housing. The high cost of rental housing in Honolulu coupled with the very meager income of students often force students to live in overcrowded conditions. The representative concluded by stating that the establishment of an on-campus dormitory facility would relieve the current deficiency in student housing as well as alleviate the shortage of rental housing on Oahu.

A student of the University of Hawaii at Manoa testified that the lack of student housing has seriously damaged the school's ability to retain out-of-state students at the campus. The student added that eighty participants in the National Student Exchange Program were recruited to Hawaii without providing them housing. She further observed that it is not uncommon for U.H. athletes from the mainland to sleep in study rooms or on the floors of friend's rooms during the first month of school. She concluded that an on-campus dormitory would provide students a fulfilling living situation to enrich the total educational experience.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1969 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 36 Agriculture on H.B. No. 185

The purpose of this bill is to control and eradicate fruit flies. This bill would appropriate \$263,322 for fiscal year 1991-1992 and \$239,966 for fiscal year 1992-1993 to continue the State's support of the ongoing fruit fly research and eradication projects and related work with the federal government.

The federal government annually appropriates about \$4.7 million for various fruit fly related programs. Federal funds, however, are being used primarily to develop the technologies for the eradication of the several fruit fly species. These technologies include the sterile insect technique, male annihilation using lure-toxicant combinations, and parasite augmentation.

In addition to developing eradication technologies, however, the designing of a successful statewide strategy and drafting of an environmental impact statement for the eradication of fruit flies require an evaluation of the effects on the environment of those technologies. There are many diverse ecosystems and environments in Hawaii, including critical habitats of endangered species and natural area reserves, which have to be specially treated in designing an eradication plan. The funds requested in this bill are for projects to establish baseline information on different environments and ecosystems. These projects will be coordinated with the federal projects being conducted on Kauai.

Finally, complicated programs such as these can only succeed with public understanding and support. This bill also requests funds for public information and education to be used to implement a fruit fly eradication education program as part of the Department of Education's curriculum, to promote public awareness and participation in fruit fly projects on Kauai, and to sponsor a fruit fly conference.

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

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 185 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 37 Agriculture on H.B. No. 186

The purpose of this bill is to increase the capacity of the Molokai Applied Research Farm to conduct applied research on crops that could be grown on Molokai. This bill would appropriate \$15,000 for fiscal year 1991-1992 and \$15,000 for fiscal year 1992-1993 to increase the annual support from the current \$10,000.

Testimony from the College of Tropical Agriculture and the Hawaii Farm Bureau Federation indicated that:

- (1) The facility, supported by Maui Community College, has provided valuable information to the Molokai farmers through its research on a variety of crops (sweet potato, bulb onion, Irish potato, tomato, cantaloupe, broccoli, watermelon, bell pepper, and dryland taro, among others);
- (2) Results from the research work have encouraged Molokai farmers to grow new crops that they might not have otherwise tried; and
- (3) The facility has given the farmers the opportunity to observe the use of pesticides and herbicides and to learn about irrigation schedules and fertilization needs for crops grown on Molokai.

Your Committee finds that this is the only facility on Molokai conducting applied research and that the farm's record of developing technologies adopted by the Molokai farmers and agricultural industry is impressive.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 186 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 38 Agriculture on H.B. No. 188

The purpose of this bill is to augment the Extension Service's capacity in Kauai by providing for a diversified crops agent. This bill would appropriate \$45,000 for fiscal year 1991-1992 and \$40,000 for fiscal year 1992-1993 and would establish one full-time equivalent (1.00 FTE) permanent County Extension Agent position during fiscal year 1991-1992.

Testimony from the College of Tropical Agriculture and Human Services, the Hawaii Farm Bureau Federation, the County of Kauai Office of Economic Development, and the Kauai County Council indicated that:

- (1) Presently, the Cooperative Extension Service on Kauai has two agricultural agents who serve both the animal and crop education needs in the County. One agent services the animal function while the other agent handles the crop responsibilities;
- (2) The vast responsibilities associated with the crop education make it very difficult for one agent alone to handle the vegetables, fruits, nuts, and ornamental crops programs which includes commercial crops such as taro, watermelon, tomato, cucumber, pepper, eggplant, sweet corn, lettuce, sweet potato, snap bean, Chinese

cabbage, green onion, dry onion, cabbage, Italian squash, pineapple, coffee, macadamia, litchi, mango, ginger, heliconias, anthurium, and other ornamentals; and

- (3) The addition of another crop agent is planned so that one agent would be responsible for all fruits plus all ornamentals including flowers, foliage, nursery products, landscape, and turf. The second agent would be responsible for all vegetables including taro, ginger, and urban horticulture.

Your Committee finds that the farm-gate value of diversified crops on Kauai has increased from \$6.2 million in 1985 to \$9 million in 1989. Given the increasing level of activity in diversified crops and the overloaded demands for services, your Committee feels the addition of a permanent crops agent position is justified.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 188 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 39 Agriculture on H.B. No. 189

The purpose of this bill is to control pasture and sugarcane crop damages caused by grass webworm and the sugarcane yellow aphid. This bill would appropriate \$130,000 for fiscal year 1991-1992 and \$110,00 for fiscal year 1992-1993 to continue: (1) The ongoing biological control programs for monitoring, rearing, and releasing parasites which attack the grass webworm and the sugarcane yellow aphid; and (2) The ongoing studies to integrate grazing management techniques with biological control methods.

Testimony from the Department of Agriculture, the College of Tropical Agriculture and Human Resources, the Hawaii Sugar Planters' Association, the Kauai County Farm Bureau, and the Maui County Farm Bureau indicated that:

- (1) The grass webworm is generally under control on all islands although occasional buildups are still occurring on the windward pastures on Maui. The programmed releases of beneficial parasitic insects which attack the grass webworm have succeeded in preventing the webworm from defoliating the pasture grass used for livestock forage;
- (2) The sugarcane yellow aphid, first detected in November 1988 on a North Kona ranch, has quickly spread throughout the State. This aphid is broadly distributed in the Americas attacking many grass species such as sugarcane, sorghum, corn, wheat, and lawn and pasture grasses. The aphid is of particular concern in Hawaii because it is a vector of the sugarcane mosaic virus and it has become widespread in the sugarcane fields. It is not known whether sugar production was affected by the infestations, but growth setbacks to some extent have been observed. This aphid has also been observed on all major pasture grasses grown in Hawaii for livestock forage; and
- (3) The available treatment methods to combat yellow sugarcane aphid are spraying with malathion or heavy fertilization to keep the forage healthy. Unfortunately, neither of these control methods are cost effective, particularly on sugarcane, nor environmentally acceptable for large scale control work.

Your Committee finds that there is a need to continue funding the biological control programs to develop an economical control program using both the grazing management techniques and parasitic control methods, as applicable, to protect the cattle and sugar industries from sustaining heavy losses.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 189 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 40 Agriculture on H.B. No. 184

The purpose of this bill is to control and eradicate firetree, a noxious weed which has infested about 92,000 acres on the five major islands. This bill would continue the State's support of the research and control programs by appropriating an unspecified amount for the 1991-1993 biennium.

Testimony from the Department of Agriculture, the Governor's Agriculture Coordinating Committee (GACC), and the Firetree Control Steering Committee indicated that:

- (1) Efforts have been made since 1954 to control this noxious plant, but the plant continues to broaden its range of infestation on the rangelands and into the natural ecosystems;
- (2) The infestations have led to: (a) forage production losses on the rangelands, (b) natural ecosystem destruction through displacement of native plant species, and (c) watershed degradation;
- (3) Mechanical and chemical means have been used for the control work, but the research efforts have started to pay off by introducing more effective herbicides and new methods of control using grazing management techniques and biological control;
- (4) The biological control program is preparing to release a caterpillar which would chew and defoliate the firetree leaves, and testing two other insects and two pathogens for release; and

- (5) The anticipated federal contribution for the control and research work is \$108,000 for fiscal year 1991-1992 and \$113,000 for fiscal year 1992-1993.

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

- (1) Inserted the sums of \$89,900 for fiscal year 1991-1992 and \$90,300 for fiscal year 1992-1993; and
- (2) Made the GACC the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 184, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 41 Agriculture on H.B. No. 191

The purpose of this bill is to provide the Cooperative Extension Service agents and specialists the level of support necessary for them to contact their clients and to deliver the most up-to-date information. This bill would appropriate \$180,000 for fiscal year 1991-1992 and \$180,000 for fiscal year 1992-1993 to meet expanding demand for services and increased costs of providing these services.

Testimony from the College of Tropical Agriculture and Human Resources (CTAHR) and the Hawaii Farm Bureau Federation indicated that:

- (1) The Extension agents and specialists serve as a conduit to the farmers for the research performed by the CTAHR on common agricultural problems. The agents and specialists also serve as a liaison between the agricultural community and the Department of Agriculture;
- (2) With the rapid diversification in crops production, the agents' and specialists' workload has more than tripled over the past few years; and
- (3) As inflation has undercut the stable funding for operations (e.g., mileage, per diem, supplies, utilities), the operational funding available for the agents and specialists has eroded to the point where they cannot efficiently serve their clients.

Your Committee finds that the programs and services provided by the agents and special agents to support the farmers are vital to the future of the diversified crops industry. Your Committee believes that this shortcoming should be corrected so that the agents and specialists can fully assist the farmers with state-of-the-art information and technologies.

Upon further consideration, your Committee has amended Section 1 of this bill to reduce the appropriation to \$98,000 for each fiscal year of the biennium.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 191, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42 Agriculture on H.B. No. 190

The purpose of this bill is to collect and disseminate micro-climatological data and interpretations applicable to specific farming regions to help the farmers cultivate and manage their field crops in an efficient and cost effective way. This bill would appropriate \$43,800 for fiscal year 1991-1992 to start a pilot agricultural weather network on Maui.

Testimony from the Governor's Agriculture Coordinating Committee (GACC), the Hawaii Sugar Planters' Association, and the Hawaii Farm Bureau Federation indicated that:

- (1) The hardware and software programs for a weather network have been successfully tested and used in the agricultural regions of California and other agricultural areas; and
- (2) Besides providing the farmers with weather information to make timely decisions on when to irrigate their crops and to calculate irrigation requirements to conserve water, the micro-climatological information and interpretations would be used to develop an index to predict outbreaks of plant disease and insect infestations. Rather than spraying on a scheduled preventive basis, the farmer would use the correlated information (weather, plant characteristics, insect and virus association) and spray only when an outbreak of disease or insect infestation was likely. The climatological information would also be used to determine the ideal harvesting time of a crop and the vacuum cooling needs to increase storage life.

Your Committee finds that this pilot demonstration project, if successful, can be expanded to the other agricultural regions of Hawaii. Your Committee further believes if this concept can be used in the development and implementation of the integrated pest management system, it would help to reduce the use of chemicals in agriculture.

Upon further consideration, your Committee has amended Section 2 of this bill to require the GACC to submit a progress report on the pilot project to the Legislature no later than twenty days prior to the convening of the Regular Session of 1992.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 190, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43 Agriculture on H.B. No. 187

The purpose of this bill is to augment the Extension Service's capacity in Kona by providing for an orchard crop agent. This bill would appropriate \$45,000 for fiscal year 1991-1992 and \$40,000 for fiscal year 1992-1993 and would establish one full-time equivalent (1.00 FTE) permanent County Extension Agent position during fiscal year 1991-1992.

Testimony from the College of Tropical Agriculture and Human Resources (CTAHR) and the Hawaii Farm Bureau Federation indicated that:

- (1) A temporary orchard crop extension agent was appointed to serve in Kona under legislative authorization for the fiscal biennium 1989-1991;
- (2) This agent has been servicing the macadamia, coffee, avocado, citrus, and exotic tropical fruits (including atemoya, mangosteen, rambutan, cherimoya, litchi, and others) orchard crop industries; and
- (3) The demand for these services has kept the agent busy full-time.

Your Committee finds that there is a need for the orchard crops position in Kona into the foreseeable future and believes that this position should be made permanent.

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

- (1) Deleted Section 2 in its entirety since the funds for the position are in the CTAHR's operating budget submission for the biennium 1991-1993; and
- (2) Renumbered the appropriate sections for consistency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 187, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 44 Agriculture on H.B. No. 239

The purpose of this bill is to develop a pilot agricultural pest management program to test the effectiveness of augmenting natural enemy species by mass rearing and releasing to control agricultural insect pests. This bill would appropriate an unspecified amount for the fiscal biennium to develop and evaluate the program.

Testimony from the College of Tropical Agriculture and Human Resources, the Governor's Agriculture Coordinating Committee (GACC) and the Hawaii Farm Bureau Federation indicated that:

- (1) Natural enemy augmentation is a biological pest management technique new to the State;
- (2) The major characteristic of the augmentation approach is the mass breeding of natural enemies of agricultural pests. This differs from the classical biological control approach, in which natural enemy species are introduced but are allowed to breed naturally to whatever size population they attain; and
- (3) Augmentation technologies have been developed and are proving effective in Europe, Asia, and the U.S. mainland.

Your Committee finds that there is a growing professional opinion that natural enemy augmentation to control pests will work in Hawaii and that there is an opportunity for industrial production and export of natural enemies for augmentation programs.

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

- (1) Inserted the sums of \$355,000 for fiscal year 1991-1992 and \$307,000 for fiscal year 1992-1993; and
- (2) Made the GACC the expending agency and required them to submit a progress report on the pilot project.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 239, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 45 Consumer Protection and Commerce on H.B. No. 802

The purpose of this bill is to amend section 235-97, Hawaii Revised Statutes, to require estates and trusts to file declarations of, and to pay, estimated income taxes. Current law requires individuals and corporations but not estates and trusts to meet these requirements. This bill would correct this oversight.

Testimony in support of this bill was presented by the Department of Taxation and the Tax Foundation.

Specifically, this bill:

- (1) Requires estates and trusts to file declarations of, and to pay, estimated taxes;
- (2) Amends the reference to attribution of income to comply with the federal Internal Revenue code; and
- (3) Increases the threshold amount required for filing of estimated income taxes from \$40 to \$100, thereby increasing cost effectiveness of the Department of Taxation by reducing the number of documents filed, since fewer persons will need to file.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 802 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46 Consumer Protection and Commerce on H.B. No. 665

The purpose of this bill is to appropriate funds and establish a permanent professional position to administer the registration of condominium projects, condominium public reports, the condominium sale to owner-occupant provisions, and limited-equity cooperatives.

Many groups, including The Hawaii Real Estate Commission, the Building Industry Association of Hawaii, Hawaii Association of Realtors, Hawaii Developers' Council, The Lusk Company, The Hawaii Apartment Association, and the Bar Association testified in strong support of this bill.

Currently, the Real Estate Commission cannot process requests regarding public reports for one or more months due to a substantial increase in the development of condominium projects, the number of laws directly affecting condominium project registration, and the disclosure requirements.

In addition, to expedite condominium project registration and public reports, this position will aid in producing public reports which meet the complicated legal criteria necessary, thereby creating a more responsive system and cost savings to the consumer.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 665 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47 Consumer Protection and Commerce on H.B. No. 804

The purpose of this bill is to amend section 281-45, Hawaii Revised Statutes, by adding a provision requiring that the transferor of a liquor tax license must present a tax clearance certificate from the Director of Taxation and the Internal Revenue Service in order for the transferee to receive a liquor license.

The Department of Taxation, Department of Treasury, Tax Foundation of Hawaii, and Hawaii Hotel Association testified in support of this measure.

This amendment adds language deleted inadvertently by an amendment passed in 1990. The lack of tax clearance is a problem in other states which do not require it by increasing the number of marginal operators who close a business to avoid taxes, merely reopening as a new corporation. This measure would amend the provision before a significant problem occurs here. Under the current provision employees of such corporations are affected because a transferor may have tax liabilities, close the business and transfer the certificate to a "new" business with the same owner. In such an instance, it is likely that the required tax withholding and social security payments will not be made, harming innocent employees.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 804 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48 Consumer Protection and Commerce on H.B. No. 1116

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$200,000 for the purpose of conducting a comprehensive review of the State's laws relating to financial institutions. Partial funding for this review was appropriated during the 1990 legislative session.

The Commissioner of Financial Institutions, Hawaii Financial Services Association, Corporate Trustees Association of Hawaii, Hawaii Association of Domestic Life Insurers, State Association of Life Underwriters, Hawaii League of Savings Institutions, Hawaii Credit Union League, and Hawaii Bankers Association testified in favor of this bill for the following reasons:

- (1) The statutes have not been reviewed and updated in a long time and do not reflect the changes that have occurred in the federal laws or the way in which financial institutions are conducting business.
- (2) Congress is currently reviewing and will be updating the national banking laws, and the state will need to incorporate these changes in the statutes.
- (3) A review of the statutes is timely to ensure that Hawaii's financial institutions' laws are relevant to modern banking practices, to emerging trends in the financial industry, and to the challenges of a fluctuating economy.

Your Committee finds that it is necessary to complete a review of the State's laws relating to financial institutions to ensure the longevity and strength of these institutions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1116 and recommends that it pass Second Reading and be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 49 Consumer Protection and Commerce on H.B. No. 1208

The purpose of this bill is to amend Section 244D-1, Hawaii Revised Statutes, by adding to the definition of cooler beverages, a spirit cooler containing distilled spirits and added natural or artificial blending of material and which contains less than seven per cent (7%) of alcohol by volume.

Testimony given in favor of the passage of this bill noted that spirit coolers, which are similar to all other coolers, only contain seven per cent (7%) alcohol by volume and therefore, should be taxed at the same rate as other coolers that have a low alcohol content. Supporters argued that equating the tax rate of spirit coolers with other cooler beverages will result in a more equitable pricing between spirit coolers and other coolers, allowing the competitive entry of spirit coolers into the Hawaii market, resulting in more choices for the consumers. There are no spirit coolers in Hawaii at this time.

The Department of Taxation testified in opposition to this bill because it supports total repeal of the cooler category, rather than adding more products to the category.

Additional testimony indicated that other states have chosen to tax spirit coolers at the same rate as other coolers on the basis that the alcohol content of the two are the same.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1208 and recommends that it pass Second Reading and be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 50 Human Services on H.B. No. 537

The purpose of this bill is to appropriate moneys to provide the Commission on Persons with Disabilities with needed technical assistance, administrative support, and computer equipment to enable the review of design plans which improve physical access to persons with disabilities in accordance with federal, state, and county mandates.

H.B. 537 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 537, as amended herein, and recommends that it be recommitted to the Committee on Human Services for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 537, HD 1.

Signed by all members of the Committee except Representatives Bainum, Duldulao, M. Ige and Peters.

SCRep. 51 Water, Land Use and Hawaiian Affairs and Intergovernmental Relations and International Affairs on H.B. No. 440

The purpose of this bill is to support the City and County of Honolulu's implementation of its National Pollutant Discharge Elimination System (NPDES) program for municipal storm sewer systems as required under the Water Quality Act of 1987 (P.L. 100-4). Federal regulations require field screening of major outfalls for illicit connections and representative priority pollutant testing. This would enable the City to develop pollutant loads into specific water basins such as the Ala Wai Canal which is owned by the State.

Your Committees find that the funding for fiscal years 1992-1995 will provide the City with substantial assistance towards fulfilling the requirements of this mandated program.

The City and County of Honolulu's Department of Public Works testified in favor of this bill.

Your Committees on Water, Land Use and Hawaiian Affairs and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 440 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 52 Water, Land Use and Hawaiian Affairs and Housing on H.B. No. 289

The purpose of this bill is to require developers of market-priced homes in housing projects involving the State to select purchasers by the drawing of lots.

Your Committees note that, as drafted, the bill would:

- (1) Amend Section 201E-220, Hawaii Revised Statutes (HRS), to require that purchasers of all dwelling units sponsored by the Housing Finance and Development Corporation (HFDC) be selected from a list of qualified residents by the drawing of lots; and
- (2) Amend Section 359-10, HRS, to require that the Hawaii Housing Authority (HHA), to the extent possible, select residents of State low-income housing complexes by lottery.

Your Committees received testimony from HFDC and HHA on this bill.

Upon further consideration, your Committees concur with HFDC's testimony that the intent of the bill can be better implemented by only amending Section 201E-220(f), HRS. Accordingly, your Committees have replaced the provisions in Sections 1 and 2 of the bill with provisions that amend Subsection 201E-220(f). More specifically, the phrase, "... and provided further that the developer shall select purchasers from a list of qualified residents by the drawing of lots." has been added to the end of this subsection. Your Committees have further amended this bill by re-numbering the subsequent sections.

Your Committees on Water, Land Use and Hawaiian Affairs and Housing are in accord with the intent and purpose of H.B. No. 289, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 289, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 53 Water, Land Use and Hawaiian Affairs on H.B. No. 369

The purpose of this bill is to amend Chapter 10-4 to provide the Office of Hawaiian Affairs with rules-making powers consistent with Chapter 91.

Your Committee received testimony from the Office of Hawaiian Affairs (OHA) in support of this bill. It is of particular importance to them that they have rules-making powers relating to historic preservation issues. Currently, such rule-making extends only to OHA board and internal office procedures. Otherwise, OHA must seek the voluntary notification, assistance, and coordination of other government and private sector organizations to carry out their purposes and responsibilities. Such voluntary cooperation is haphazard and frequently ineffective.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 369 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 54 Water, Land Use and Hawaiian Affairs on H.B. No. 1434

The purpose of this bill is to improve the management and preservation of the hula platform at Ke'e on Kauai by appropriating funds to the Historic Preservation Division of the Department of Land and Natural Resources (DLNR).

Your Committee finds that the hula platform at Ke'e is an extremely significant, publicly owned historic property that deserves increased government support and protection.

The site is primarily maintained by Ka Imi Naauao O Hawaii Nei, an eleemosynary school of hula and Hawaiian culture. DLNR provides routine maintenance on an as-time-permits basis. Although both parties have done what they can, it is clear that the increased usage of the site now requires additional help. The alternative is continued:

- (1) Deterioration of the site;
- (2) Conflicts in site usage with halau desiring to conduct private ceremonies and visitors wishing to view the site; and
- (3) Culturally inappropriate behavior by both visitors and halau.

Your Committee finds that the resources found on the site consist of not only the hula platform but also a heiau, cottages, and gardens; unfortunately, the title of the bill is restrictive to only the hula platform. Currently, ownership of the site is split between the County of Kauai and the State: the County owns the parcel that houses the hula platform and heiau, and the State owns the parcel that contains the cottages and gardens.

Any financial support should be targeted to all of the resources found on the site. In this regard, DLNR and the County should jointly develop a plan for the care and management of the hula platform, the heiau, cottages, and gardens. DLNR estimates that C.I.P. costs will be approximately \$200,000 with an additional \$50,000/year to manage the entire site.

Your Committee received testimony in support of this bill from DLNR; the Office of the Mayor, County of Kauai; Ka Imi Naauao O Hawaii Nei; Na Hula O Kaohikukapalani; and various individuals.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1434 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 55 Water, Land Use and Hawaiian Affairs on H.B. No. 370

The purpose of this bill is to make an appropriation of \$100,000 out of each of the next two fiscal years to assist in the inventory, deaccession, and dignified reinterment of Native Hawaiian bones now curated or stored in various museums and other scientific facilities.

Your Committee received testimony from the State Council of Hawaiian Homestead Associations, Bishop Museum, Hui Malama I Na Kupuna O Hawai'i Nei, and the Office of Hawaiian Affairs (OHA).

Following passage of recent Federal legislation, such as Public Law 101-601, "Native American Graves and Repatriation Act" and Public Law 101-185, "National Museum of the American Indian Act", the Hawaiian community has sought State financial assistance for the important and expensive process of returning their kupuna to their original resting places. Currently, there are approximately 212 Hawaiian remains in the Smithsonian Museum in Washington, D.C. The Bishop Museum has 2,590 Native Hawaiian human remains listed, of which 1,230 are under the jurisdiction of the United States federal government. The Museum testified that the minimum cost for repatriating the other 1,360 kupuna under its care is approximately \$95,200.

All testifiers agreed with the intent of the bill to appropriate funds for repatriation and reinterment of Hawaiian ancestral remains. There was some concern expressed as to whether OHA was the most appropriate organization for administering the funds. However, your Committee felt that the responsibility should remain with OHA.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 370 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 56 Water, Land Use and Hawaiian Affairs on H.B. No. 55

The purpose of this bill is to require that any exchange of public land for private land where the value of the public land is more than \$1,000,000 be subject to the approval by the Legislature by a majority vote of both the Senate and the House of Representatives in any regular or special session next following the date of exchange.

Your Committee received testimony from the Department of Land and Natural Resources (DLNR) and preliminary testimony from the Downtown Neighborhood Board.

DLNR was opposed to the bill, arguing that requiring approval by both legislative bodies would further hinder land exchanges. The Downtown Neighborhood Board, however, supported the bill. The proposed land swap of conservation lands in He'eia with urban land in Kakaako is the second land exchange in two years that directly affects their area. They felt that such exchanges are too important to proceed without an affirmative vote of the Legislature, after all the facts and figures have been made available.

Your Committee concurs with the Downtown Neighborhood Board that large land exchanges should be subject to careful scrutiny and approval by the Legislature. As illustration, your Chair asked DLNR if under current law a land exchange swapping Iolani Palace for an obviously much less desirable parcel would go through if the Legislature did not act to stop it. DLNR admitted it would.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 55 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 57 Agriculture on H.B. No. 557

The purpose of this bill is to promote awareness among public school students, through the Future Farmers of America program, about the fruit fly problems, treatment technologies, and related issues. This bill would appropriate \$16,500 for fiscal year 1991-1992 and \$12,500 for fiscal year 1992-1993 to support the Hawaii Association of Future Farmers of America fruit fly eradication education training.

Your Committee received testimony from the College of Tropical Agriculture and Human Resources, Department of Education, Hawaii Fruit Fly Committee, and a student member of Future Farmers of America.

The major points of the testimony were that through the Fruit Fly Eradication Training Program, students and teachers can learn about the economic, social, and environmental effects of the fruit flies found in Hawaii. The results of the training would be greater public awareness of the problems, on-going research, and field application of the treatment technologies for eradication of the fruit flies.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 557 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58 Agriculture on H.B. No. 562

The purpose of this bill is to help the Hawaii Sugar Planters Association (HSPA) to conduct its research and development programs. This bill would appropriate an unspecified amount for sugar research and development for fiscal year 1991-1992 and require an unspecified portion of this appropriation to be used for research and development of alternate crops and by-products. This bill would also require a dollar-for-dollar match in funds by the HSPA.

Your Committee received testimony from the Department of Agriculture, College of Tropical Agriculture and Human Resources, Governor's Agriculture Coordinating Committee, and HSPA.

The major points of the testimony were that:

- (1) About 40 per cent of the HSPA's experiment station budget is devoted to breeding improved sugarcane varieties. The remainder of the budget is spent to find ways to control insects, diseases, and weeds; to improve sugarcane growth; and to increase sugar recovery; and
- (2) The State's matching grant would allow HSPA to maintain its present research capability and to intensify its research and experimentation in areas such as: (1) the production of industrial chemicals and pulp for paper from bagasse through the steam explosion process; (2) production of hard acrylic plastics and water absorbent synthetic textiles from monomers and polymers derived from sugar; and (3) identification of crops to enhance the profitability of sugar plantations such as coffee (grown on Kauai), energy crops for fuels, and forage crops such as alfalfa.

Your Committee finds that financial support from the State would not only help to provide research benefits to the sugar industry but also help to maintain a diversified agricultural economy in Hawaii and provide continued employment for those living in the rural areas.

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

- (1) Inserted the sum of \$3,000,000 for fiscal year 1991-1992; and
- (2) Inserted the sum of \$250,000 to be used for research and development of alternate crops and by-products.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 562, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 59 Agriculture on H.B. No. 113

The purpose of this bill is to increase the consumption of fresh Hawaiian pineapple in the 22 western states of the U.S. and the four western provinces of Canada. This bill would appropriate an unspecified amount for fiscal year 1991-1992 to continue the State's matching support of the Pineapple Growers Association of Hawaii's (PGAH) marketing program.

Testimony from the Department of Agriculture, the College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau Federation, and the PGAH indicated that:

- (1) Fresh Hawaiian pineapple holds a commanding market share in the western U.S. states (96 per cent) and western provinces of Canada (92 per cent) primarily because of its quality and freight advantage over Caribbean and Central American fruits;
- (2) Out of all shoppers in these markets purchasing fruit in a given week, only two per cent bought fresh pineapple indicating that there is great sales growth potential if promotion is continued; and
- (3) This bill, as written, limits the promotion and marketing efforts to the 22 western U.S. states and four western provinces of Canada. This limitation unnecessarily excludes one of Hawaii's best promotional vehicle, the visitor; for every visitor who is induced to experience the taste of fresh Hawaiian pineapple or to carry the fruit home is a potential repeat buyer or promoter to friends.

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

- (1) Inserted the sum of \$300,000 for fiscal year 1991-1992; and
- (2) Included Hawaii as one of the targeted promotional states.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 113, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 60 Agriculture on H.B. No. 310

The purpose of this bill is to expand the export market for Hawaii's cut flowers and foliage by ensuring pest-free shipments. This bill would appropriate \$263,872 for fiscal year 1991-1992 and \$130,995 for fiscal year 1992-1993 for research on pest management programs and post-harvest treatments that could reduce quarantine restrictions on Hawaii products.

Testimony from the Department of Agriculture, the College of Tropical Agriculture and Human Resources, the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation indicated that:

- (1) Shipment rejection by other states and foreign countries because of live pest contamination (such as mealybugs, scales, ants, and whiteflies) is a major problem for the cut flowers and foliage industry; and
- (2) When rejection occurs, the shippers not only lose the sale but are fined \$1,000. With repeated quarantine rejections, the shippers also lose their shippers' permit.

Your Committee finds that pest-free shipments can be attained by:

- (1) Developing or refining pest management systems in the field for cut flowers and foliage (such as anthuriums, bird of paradise, dendrobium, heliconia, flowering ginger, protea, and ti-leaf);
- (2) Developing postharvest treatments (such as hydrogen cyanide fumigation, insecticidal dips, hot water, and vapor heat); and
- (3) Implementing pilot quarantine procedures for growers and shippers that would place the management and treatment methods used at farms and shipping houses under certification.

Upon further consideration, your Committee has amended Section 2 of this bill to make the GACC the sole expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 310, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 61 Agriculture on H.B. No. 312

The purpose of this bill is to develop and demonstrate environmentally and economically sound farming methods. This bill would appropriate \$120,000 for fiscal year 1991-1992 and \$120,000 for fiscal year 1992-1993 for research on and demonstration of low-input sustainable agricultural projects for diversified crops.

Your Committee received extensive testimony from the following agencies and organizations: the College of Tropical Agriculture and Human Resources, Governor's Agriculture Coordinating Committee, Department of Research and Development (Hawaii County), Agricultural Development Coordinating Committee, Hawaii Farm Bureau Federation, Hawaii Tropical Fruit Growers, Maui Farmers for Sustainability, Hawaii Avocado Association, and the Hawaii Macadamia Nut Association.

The major points of the testimony were that:

- (1) Hawaii's farm community over the past forty years has relied on conventional agricultural systems that are now recognized as environmentally harmful and economically wasteful;
- (2) This problem is compounded by: (1) plant and animal pests developing chemical tolerance to pesticides; (2) new pests arriving each year; (3) stringent new pesticide registration requirements; and (4) low public tolerance for the use of agricultural chemicals;
- (3) Soil fertility is lost through erosion and intensive cultivation, while high production crops require more fertilizers and water; and
- (4) There is a need for a low-input farming system which will sustain and rejuvenate the soil; create plant varieties that are disease resistant; limit the use of chemical fertilizers, pesticides, and herbicides; and conserve energy and water.

Upon further consideration, your Committee has amended Section 2 of this bill to make the GACC the sole expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 312, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 62 Agriculture on H.B. No. 333

The purpose of this bill is to develop a livestock agricultural park on Oahu. This bill would appropriate \$20 million for fiscal year 1991-1992 to establish a State funded livestock agricultural park, including the acquisition of the Campbell Industrial Feed Lot.

Your Committee received testimony from the Department of Agriculture, the Office of State Planning, 50th State Dairy Cooperative, Hawaii Farm Bureau Federation, Kahua Meat Company, Limited, Fred L. Waldron, Limited, and three individuals.

The major points of the testimony were that:

- (1) Cattle producers in the State were notified on January 21, 1991 that Hawaii Meat Company, the present lessee of the feedlot site at Barbers Point, will close its feedlot operation;
- (2) This is the only feedlot on the island of Oahu and its closure would have a crippling effect on the island's entire livestock industry. Its ripple effect may also cause the closing of the only remaining multi-species slaughterhouse on Oahu and severely affect the many hog and dairy farmers as well. To avert these events, the State Office of Planning has started negotiations to acquire the feedlot site from the Campbell Estate; and
- (3) Related to the feedlot problem is the need for a livestock agricultural park on Oahu, as the hog and dairy cattle operators are slowly being squeezed out of their current locations.

Upon further consideration, your Committee has amended Section 1 of this bill to authorize the Director of Finance to issue general obligation bonds rather than appropriating the funds out of the general revenues, and has reduced the appropriation from \$20,000,000 to \$1,000,000.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 333, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 63 Agriculture on H.B. No. 559

The purpose of this bill is to control anthurium blight, a bacterial disease. This bill would appropriate unspecified amounts for fiscal biennium 1991-1993 to continue the on-going research on anthurium blight control and to demonstrate techniques that would help anthurium farmers minimize the spread of the disease on their farms.

Testimony from the College of Tropical Agriculture and Human Resources and the Governor's Agriculture Coordinating Committee indicated that, since 1980, anthurium production has declined because of the blight. To solve the blight problem, funds supplied by the State have supported research projects on disease transmission, new cultivars, and improved propagation methods. In addition, a method of management, based on sanitation practices to prevent infection of the plants, has been successfully tested and used by the growers.

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

- (1) Inserted the sums of \$218,966 for fiscal year 1991-1992 and \$216,177 for fiscal year 1992-1993; and
- (2) Required that \$52,783 for fiscal year 1991-1992 and \$55,213 for fiscal year 1992-1993 shall be used for demonstration purposes.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 559, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 64 Agriculture on H.B. No. 560

The purpose of this bill is to conduct papaya research projects. This bill would appropriate an unspecified amount for fiscal year 1991-1992 to continue support for research on the papaya ring spot virus.

Testimony from the College of Tropical Agriculture and Human Resources indicated that the State's major papaya production areas on the Island of Hawaii are threatened with the papaya ring spot virus spread by aphids. This infection is devastating to papaya trees. Researchers are currently trying to build seedling resistance to the virulent strain through immunization and developing a variety of papaya resistant to the virus through genetic engineering and plant breeding.

Because the ongoing research is funded in the first year of the biennium, your Committee has amended Section 1 of this bill to insert the sum of \$60,000 for fiscal year 1992-1993.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 560, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 65 Education on H.B. No. 726

The purpose of this bill is to subsidize the public summer school program by granting all students tuition waivers in order to ensure that students have opportunity to obtain as much education as they would like to and to ensure that students in need of remedial education or extra classes for graduation requirements have opportunity to obtain this instruction.

The Department of Education (Department) testified in opposition to this bill. The Department testified that the voluntary summer school program parallels the Department's program for the regular school year. It will cost the State \$3,900,000 for 31,000 students who are currently enrolled in the summer school program at \$125 per student.

Your Committee has amended this bill as follows:

- (1) Provides tuition waivers for eligibly needy students and small school subsidies for remote, rural schools which are inadequate for the large student population in need of summer programs;
- (2) Inserted the appropriation sums of \$500,030 for fiscal year 1991-1992 and \$500,030 for fiscal year 1992-1993 for tuition waivers for eligibly needy students and small school subsidies for remote, rural schools which are inadequate for the large student population in need of summer programs; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 726, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 66 Education on H.B. No. 730

The purpose of this bill is to appropriate funds to rent facilities for daytime classes for the adult education program and to hire part-time teachers for the adult education program.

The Department of Education (Department) testified in favor of the bill. The Department testified that it is committed to and involved in the federally mandated Jobs Opportunity and Basic Skills (JOBS) training program of the Family Support Act of 1988, and that to meet minimum requirements for program implementation, a teacher is needed at each community school for delivery, coordination and continuity of instructional services, from remediation through high school completion, for the program clients.

The Board of Education, the Farrington Community School for Adults, the Wahiawa Community School for Adults, the Hawaii Adult Education Association, and other interested persons testified in support of the bill.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$113,300 for fiscal year 1991-1992 and \$113,300 for fiscal year 1992-1993 for school counselor positions for the Adult Education Program;

- (2) Included language that indicates the relevance of the federally mandated JOBS training program to this measure; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 730, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 67 Education on H.B. No. 1101

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for the continuation of moving image preservation activities.

Your Committee received testimony from the Hawaii Moving Image Project in support of this measure. The Hawaii Moving Image Project testified that this measure is a request for funds to continue the preservation project while initiating an access pilot project using the Department of Education-Library Services as a public access venue for the preserved films.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sum of \$1 for fiscal year 1991-1992 and \$1 for fiscal year 1992-1993;
- (2) Designated the expending agency to read "Hawaii state public library system"; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 68 Education on H.B. No. 1356

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for the expansion of the Summer Program for the Enhancement of Basic Skills (SPEBE).

Your Committee received supporting testimony from the Department of Education (Department). The Department testified that this bill would expand SPEBE by funding a center on Japanese studies.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$77,456 for fiscal year 1991-1992 and \$81,929 for fiscal year 1992-1993; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1356, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 69 Education on H.B. No. 1388

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for the Department of Education (Department) Student Information System, which will enable the Department to provide accurate and timely information on students and programs.

Your Committee received supporting testimony from the Department of Education. The Department testified that the new Student Information System will address the limitations of the current Student Information System. The Department further testified that partial funding of the Department's budget request for the new Student Information System would move the project into the design alternatives phase; full funding of the Department's budget request would move the project into the subsequent acquisition and installation of a baseline system, making modifications to the software to meet the Department's requirements, and planning for conversion and implementation.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$1,918,676 for fiscal year 1991-1992 and \$1,411,045 for fiscal year 1992-1993; and

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1388, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 70 Education on H.B. No. 1749

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 and fiscal year 1992-1993 for the expansion of the After-School Instruction Program of the Department of Education (Department).

The Department presented testimony in support of the bill. The Department recognizes the need for expanded learning time and currently offers after-school instruction involving tutoring and other remedial assistance and enrichment classes. The Department strongly recommended that the funds be appropriated to expand the program to provide for greater student participation.

Your Committee has amended the bill by inserting the sum of \$1 for fiscal year 1991-1992 and the sum of \$1 for fiscal year 1992-1993.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1749, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71 Education on H.B. No. 1747

The purpose of this bill is to appropriate funds for the 1991-1992 fiscal year to provide funding for additional faculty during the planning period of the Communication Arts Learning Multidiscipline (CALM) Program at James Campbell High School in the Leeward District.

The Department of Education, the Leeward School District, the four CALM Program teachers, and parents of students in the CALM Program testified in favor of the measure. The Leeward School District testified that James Campbell High School's Project CALM is deserving of support because of the following:

- (1) The project is teacher/staff initiated rather than mandated "from top to bottom";
- (2) The program provides for student choice;
- (3) The project is an excellent example of a school within a school; and
- (4) The program is aimed at improving the school climate at Campbell High School by building a positive relationship between students and staff members.

It is noted that the four teachers of the CALM Program has devoted much time, commitment, and enthusiasm to the program and students of Campbell High School.

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1747, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 72 Education on H.B. No. 1389

The purpose of this bill is to appropriate funds for the 1991-1993 fiscal biennium for the purchase of textbooks.

Your Committee received supporting testimony from the Department of Education (Department). The Department testified that while current services funds are available for the purchase of textbooks, the rising cost of textbooks, coupled with lost or unreturned textbooks, makes it difficult for schools to meet their needs with current services appropriations only.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$1 for fiscal year 1991-1992 and \$1 for fiscal year 1992-1993 for the purpose of further discussion; and

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1389, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 73 Education on H.B. No. 1393

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for consultant services to provide technical knowledge required for the maintenance, modification, and enhancement of the Department of Education Financial Management System (FMS).

Your Committee received testimony from the Department of Education (Department) in support of this measure. The Department testified that the full funds as requested in the Department's budget is necessary to maintain the momentum of its efforts to automate the financial management functions within schools and offices, and to continue the progressive directions that have been established through the FMS.

After consideration of the foregoing testimony, your Committee amended the bill by inserting the appropriation sums of \$971,474 for fiscal year 1991-1992 and \$336,143 for fiscal year 1992-1993 for the Financial Management System.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1393, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 74 Education on H.B. No. 1396

The purpose of this bill is to provide incentive grants to accommodate and support restructuring and innovations to realize significant school improvements affecting student achievement.

The Department of Education and the Hawaii Business Roundtable testified in favor of this measure. The Hawaii Business Roundtable recommended that School/Community Based Management (SCBM) schools be given priority in receiving these incentive grants, primarily because the shared decision making process, which is fundamental to SCBM, should be an integral part of any innovation or restructuring effort at the school level.

Your Committee has amended this bill by inserting the appropriation sums of \$500,000 for fiscal year 1991-1992 and \$500,000 for fiscal year 1992-1993 to provide incentive grants to schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1396, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 75 Education on H.B. No. 1397

The purpose of this bill is to provide funds for each year of the 1991-1993 fiscal biennium for science education so that students and teachers can keep up with technological advances in science education.

The Department of Education (Department) testified in favor of this measure. The Department noted the importance of developing a scientific and technologically literate student population in order to reach national and state educational goals for science and mathematics.

Your Committee has amended this bill by inserting the appropriation sums of \$1,000,000 for fiscal year 1991-1992 and \$1,000,000 for fiscal year 1992-1993 for science education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1397, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 76 Education on H.B. No. 1400

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium to expand the Hawaiian Language Immersion Program by adding one grade level in each of the five existing immersion schools.

Your Committee received testimony from the Department of Education (Department) in support of this measure. The Department testified that the Board of Education selected the Hawaii Language Immersion Program as its number-one priority to restore funding in the 1991-1993 biennium budget.

Your Committee also received supporting testimony from the Office of Hawaiian Affairs (OHA). OHA noted that the bill is also consistent with Section 4, Article XV of the Constitution of the State of Hawaii, which proclaims the Hawaiian language as one of the official languages of the State; and Section 4, Article X of the Constitution of the State of Hawaii, which provides for a Hawaiian education program consisting of language, culture, and history in the public schools.

The National Rainbow Coalition, the Hawai'i Chapter of the Royal Order of Kamehameha I, parents and students of the Hawaiian Language Immersion Program, and other interested individuals also testified in favor of this measure.

Based on the foregoing testimony, your Committee has amended the bill by inserting the appropriation sums of \$277,036 for fiscal year 1991-1992 and \$416,258 for fiscal year 1992-1993.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1400, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 77 Education on H.B. No. 1398

The purpose of this bill is to provide funds for each year of the 1991-1993 fiscal biennium to expand distance learning and technology services to increase the capabilities for electronic instruction, interaction, and communication among students, teachers, and experts throughout the State, the nation, and the world.

Your Committee received testimony from the Department of Education (Department) in support of this bill. The Department testified that this bill would:

- (1) Establish adequate support personnel for the distance learning technology program to service the schools;
- (2) Provide satellite dishes to those secondary schools that are currently not reached by Hawaii Public Broadcasting's Hawaii Interactive Television System (HITS) and cablevision system;
- (3) Create a HITS broadcast studio for the continuation of the Teleschool program in mathematics, science, and foreign language; and
- (4) Produce teacher inservice conferences and broadcast Department meetings to the public.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$531,819 for fiscal year 1991-1992 and \$728,116 for fiscal year 1992-1993; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1398, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 78 Education on H.B. No. 1407

The purpose of this bill is to provide funds for each year of the 1991-1993 fiscal biennium for microcomputers and software for Hawaii's public schools. These microcomputer and software-purchases will assist schools to implement the computers in instruction program and to meet the ratio of one computer to ten students. According to the Department of Education (Department), as of February 6, 1991, the computer to student ratio is one computer to twenty-four students.

The Department testified in support of this measure.

Your Committee has amended this bill as follows:

- (1) Inserted the appropriation sums of \$1,000,000 for fiscal year 1991-1992 and \$1,500,000 for fiscal year 1992-1993 for microcomputers and software in schools; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1407, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 79 Education on H.B. No. 1742

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for the implementation of the in-school suspension program in the public schools.

The Department of Education (Department) testified in favor of this measure. The Department views in-school suspension as a constructive alternative in addressing student behavior and discipline problems by keeping students on campus and by providing opportunity for students to receive supervised guidance and counseling.

Your Committee amended the bill as follows:

- (1) Inserted the appropriation sums of \$348,851 for fiscal year 1991-1992 and \$406,803 for fiscal year 1992-1993; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1742, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1742, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80 Health on H.B. No. 81 (Majority)

The purpose of this bill is to extend the smoking laws and the process of protecting the health of non-smokers in the public workplace to private workplaces that employ more than ten persons.

The Department of Health testified that the current law for public workplaces and organizations which receive Chapter 42 funds has worked well, and requires little staff to gain compliance. The department did note that there have been continual complaints from the private sector.

Testimony presented in favor of the bill called for amending the bill to include all employers, not just those with ten or more employees. Testimony in opposition to the bill indicated the belief that the bill was not needed. During decision making an additional concern was raised, and that was conformance of the ten employee exception in the bill to other discrimination statutes, some of which use fifteen employees as a standard. Consequently your committee recommends that the Committee on Judiciary examine this issue.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 81 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives M. Ige and Peters did not concur.)

SCRep. 81 Health on H.B. No. 515 (Majority)

The purpose of this bill is to amend Chapter 327D, Hawaii Revised Statutes to assert the right to control decisions regarding one's medical care and to die with dignity. The amendments in this bill would bring the Hawaii Revised Statutes into conformity with recent court decisions in the Cruzan and Crabtree cases.

Your Committee heard testimony in support of this bill from representatives of the National Association of Retired Federal Employees (Hawaii State Federation of Chapters), the Department of Health, the Hawaii Nurses' Association, the Hawaii Long Term Care Association, the Hawaii Federation of Physicians and Dentists, the Healthcare Association of Hawaii, the American Civil Liberties Union, the American Association of Retired Persons, the Hawaii Medical Association, the Life Foundation, and several persons testifying as individuals. A representative of Hawaii Right to Life provided testimony urging various modifications of this bill.

While most of the testimony received by your Committee was in support of this bill, some of those who testified and some members of your Committee expressed various concerns and made suggestions for amendments. Your committee recognizes that this bill is the result of a long process of careful deliberation by and consultation among medical doctors, attorneys, ethicists, religious leaders, senior citizens, legislators, and other concerned parties. Your Committee therefore has agreed to forward this bill to your Judiciary Committee without amendment, while noting concerns and suggestions that were expressed in testimony before your Committee and by members of the Committee.

The following summarizes those concerns and suggestions:

1. Two suggestions were made for correction of errors in the drafting of this bill:
 - (a) It was urged that on page 18, line 6, after the word "physician", the following phrase be inserted: "...in deciding whether the patient would want the physician..." According to testimony this change would correct an unintentional omission in this bill as received by your Committee.

- (b) It was noted in testimony that in the model declaration (page 8, line 18) the declarant makes clear that they do not want "tube feeding of any sort.". The intent of the phrase includes tube hydration as well as tube feeding, but some patients and doctors draw a distinction between tube feeding on the one hand and tube hydration on the other hand. It was urged that this phrase be changed to "...blood products, or tube feeding or artificial tube hydration (water) of any sort." (added wording is underlined).
2. Concern was expressed that inclusion of those persons with a "permanent loss of ability to interact with others" may lead to unwarranted decisions to withhold sustenance from persons who are in a catatonic state, persons with conditions such as amyotrophic lateral sclerosis, or persons with other similar conditions.
 3. It was requested that further clarification of the definition of "inability to interact with others" be considered.
 4. It was noted that the suggested form of written declaration in this bill authorizes only the withholding or withdrawal of life-sustaining treatments. It was suggested that a check list be considered as a means of increasing options and maximizing the flexibility in declarants' decision making. It was noted that a check list should not be used as a means of limiting options and flexibility.
 5. It was pointed out that permitting the use of verbal statements by a patient's physician, friends, or relatives, in the absence of a written declaration by the patient, as the basis for withholding or withdrawing life-sustaining procedures could lead to abuses by persons who would benefit if the patient's death were hastened.
 6. It was suggested that the role of the proxy be reviewed and clarified.
 7. It was requested that the wording that requires that only one physician certify a patient's condition be reviewed.
 8. It was suggested that consideration be given to retaining the requirement that the declarant's signature be notarized and that a doctor's statement regarding certification of condition be notarized.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 515 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 82 Health on H.B. No. 824

The purpose of this bill is to amend Section 457-13, Hawaii Revised Statutes, to allow applicants who are qualified to sit for the National Council Licensing Exam (NCLEX) for practical nurses, to work temporarily while they wait for their licensing exam results.

Your Committee received testimony in support of the intent of this bill from the Department of Health, the Board of Nursing, the Kapiolani Medical Center for Women and Children, the Hawaii Nurses' Association, the Hawaii Long Term Care Association, and a registered nurse.

The testimony indicated that among the applicants targeted by this bill are registered nursing program students who wish to sit for the NCLEX and work as practical nurses until they complete their registered nursing program requirements. These students are not allowed to sit for the NCLEX under current law because they have not yet been designated as graduates. However, many of these students have met all the educational requirements to sit for the practical nursing examination and could obtain proof of such completion from their schools.

Your Committee made the following amendments to the bill:

- (1) Clarified that nonrenewable permits pursuant to Section 457-13(3) are for persons who have met the requirements of a licensing program for practical nurses or its equivalent; and
- (2) Provided that nonrenewable permits to practice nursing are valid for three months or until the results of the licensing examination are received by the Board of Nursing.

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

Your Committee on Health is in accord with the intent and purpose of H.B. No. 824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 824, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 83 Health on H.B. No. 516

The purpose of this bill is to provide assistance to the people of Hawaii in preventing chronic diseases and injury. This will be done by mandating the Department of Health to establish a preventive health services branch.

The Department of Health testified that early prevention and control of chronic diseases and injury result in decreased morbidity and mortality, decreased hospitalization and increased longevity and quality of life. The current reorganization of the Department of Health includes a branch for preventive health, but there are no statutory requirements for its existence.

Testimony in favor of the bill expressed support in the proactive measures to focus on the prevention of disease and injury. There was no testimony in opposition to the bill.

Your Committee believes strongly in health prevention measures. This bill will send a positive message to the Department of Health to continue their efforts in this area.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 516 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 84 Health on H.B. No. 937

The purpose of this bill is to amend Section 321-1, Hawaii Revised Statutes, to permit the Department of Health to establish charges and collect fees for any of its services.

Your Committee heard testimony from the Department of Health and the Department of Human Services in support of this measure.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 937 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 85 Health on H.B. No. 544

The purpose of this bill, as received by your Committee, is to assist graduate nurses to pass the required written examinations to become licensed nurses. This would be done by making permanent the State program "Operation Nightingale".

"Operation Nightingale" has been very successful in its mission. Foreign nurses have shown an increase of 54% in the pass rate for the NCLEX-RN examination, while a 100% pass rate has been achieved with U.S. nurse graduates who previously failed the test. Approximately 36 new Registered Nurses enter the Hawaii work force each year as a result of the "Operation Nightingale" program.

Testimony received from the Department of Health, Hawaii Long Term Care Association, Hawaii Nurses' Association and Kapiolani Medical Center for Women and Children all expressed support for the efforts and continuation of "Operation Nightingale", but also expressed concern about making the program permanent. There was no testimony presented in opposition to the bill.

Your Committee believes that the overall goal of this program is to eliminate the State's nursing shortage. Rather than making "Operation Nightingale" permanent, your Committee believes that this goal can be reached within four years. Therefore the bill has been amended to terminate the program July 1, 1994. In addition, to make this success possible, your Committee has amended the bill to appropriate \$200,000 in each fiscal year of the 1991-1993 biennium. Rather than narrow the scope of these funds to only the "Operation Nightingale" program, your Committee believes that the Department of Health should be allowed to further the reduction of Hawaii's nursing shortage using other education avenues. Therefore, Section 3 has been amended to "...fund Operation Nightingale, and other nursing education programs".

Your Committee on Health is in accord with the intent and purpose of H.B. No. 544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 544, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 86 Higher Education and the Arts on H.B. No. 475

House Bill 475 calls for the presence of at least one current student or alumnus, who has been out of the University system no more than two years, on the Board of Regents for a term of two years.

The 1978 State of Hawai'i Constitutional Convention's Committee on Education considered including a provision in the Hawai'i Constitution for student and faculty membership on the Board of Regents. The Convention endorsed and applauded the current practice, an informal process whereby the Governor may use his/her discretion in appointing a student or young person to the Board of Regents, and deferred constitutional changes.

Your Committee finds that the positive findings of the 1978 Constitutional Convention regarding a student representative on the Board of Regents still has substantial merit today. Recent governors, however, have moved away from the

informal practice and the student member has been absent from the Board for several years. This measure insures that students and recent alumni have representation on the Board of Regents with full voting rights and privileges.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 475 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Taniguchi.

SCRep. 87 Higher Education and the Arts on H.B. No. 1956 (Majority)

The purpose of this bill is to amend Section 304-4, Hawaii Revised Statutes, by exempting all non-resident Hawaiian students from payment of the non-resident tuition differential.

It is hoped that the passage of this bill will further encourage students of Hawaiian ancestry, regardless of their residency, to attend the University of Hawaii.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1956 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Taniguchi.
(Representative O'Kieffe did not concur.)

SCRep. 88 Higher Education and the Arts on H.B. No. 2194

The purpose of this bill is to appropriate \$500,000 for salary adjustments for University of Hawaii administrative, professional, and technical (APT) employees.

Your Committee finds that an inequity exists in the APT employees bargaining unit as a result of the biennium Pricing Review for the UH APT Classification/Compensation Plan. The amount requested by the University in the last biennium was insufficient to complete the repricing plan. As a result, employees in salary ranges APT 9 through 15 were forced to forego any repricing changes.

Your Committee has amended this bill by specifically stating that the salary adjustments are for salary ranges APT 9 through APT 15.

Your Committee received support of this measure from the University of Hawaii and the Hawaii Government Employees Association (HGEA-AFSCME).

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2194, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Taniguchi.

SCRep. 89 Labor and Public Employment on H.B. No. 813

The purpose of this bill is to establish a Hawaii target jobs credit whose application is not dependent, by specific reference in the law, to Section 51 of the Internal Revenue Code.

Currently, Section 51 of the Internal Revenue Code was amended as of December 31, 1989, resulting in provisions which would make the current target jobs credit not applicable to any wages paid after September 30, 1990. Since Hawaii's certification process relates to this target job credit, taxpayers were not able to claim this tax credit. To resolve this problem and future conformity problems, the Hawaii target jobs credit was amended to delete any references to Section 51 of the Internal Revenue Code.

Your Committee received favorable testimony from the Department of Taxation and the Department of Human Services.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 813 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90 Labor and Public Employment on H.B. No. 1132

The purpose of this bill is to allow any member who has a minimum of fifteen years or more of credited service as a firefighter, police officer, correction officer, investigator of the Department of the Attorney General, or a narcotics enforcement investigator to receive an ordinary disability retirement allowance computed as provided by Section 88-74, Hawaii Revised Statutes, regardless of age.

Your Committee received favorable testimony from the State of Hawaii Organization of Police Officers, City and County of Honolulu, the Hawaii State Fire Fighters Association, and officers from the Honolulu and Hawaii County Police Departments.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1132 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 91 Labor and Public Employment on H.B. No. 131

The purpose of this bill is to require teachers to attend in-service work shops in order to learn and keep up with new methodologies appropriate to dealing with students. This bill also excludes the in-service work shops for public school teachers from the subjects of negotiations.

Your Committee received testimonies from the Department of Education and the Hawaii State Teachers Association. The Hawaii State Teachers Association testified against the bill on the basis that it relates to a condition of employment and therefore should be a matter of collective bargaining.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 131 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 92 Labor and Public Employment on H.B. No. 183

The purpose of this bill is to change the factor used in determining the maximum and minimum weekly benefit rate for dependents from .667 to .6667. The proposed change would be consistent with the factor which is currently being used to compute total disability and partial disability benefits.

This bill also makes technical and grammatical changes to clarify the intent of the weekly benefits to dependents.

Your Committee received favorable testimony from the Department of Labor and Industrial Relations and the International Longshoreman Warehouse Union.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 183 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 93 Labor and Public Employment on H.B. No. 61

The purpose of this bill is to establish a telework center income tax credit of fifty percent of the purchase cost of qualified telecommunication equipment and appurtenances used for the purpose of establishing a telework center.

Your Committee finds that advances in telecommunications and the information industry, including telework centers, present significant opportunities to address the problems of worker shortages, traffic congestion, and the lack of rental space in downtown Honolulu.

Telework centers, located miles away from the main headquarters, use telecommunication services to effectively run their company's operations. By utilizing telework centers, businesses cut their employees' commuting time and enhance the quality of life of employees. At the same time, telework centers present employment opportunities for the physically disabled, people physically separated from the centers of business, and people who are unable to work a full day.

Your Committee finds that this measure would encourage the development of telework centers in the State by providing a tax incentive for businesses willing to make this investment.

Your Committee received testimony supporting the intent of this measure from the Department of Transportation and GTE Hawaiian Tel.

However, the Department of Taxation and the Tax Foundation of Hawaii questioned the prudence of passing this measure during a period of economic downturn because the new tax credit would result in a decrease of revenues from the general fund, thus jeopardizing current and future program needs.

The Department of Taxation was also concerned that the proposed credit would duplicate other available tax incentives under other provisions of federal and state tax laws.

To address these concerns, your Committee has amended this measure by:

- (1) Clarifying that the telework center credit shall be fifty percent of the purchase and installation cost of telecommunications equipment; provided that no tax credit shall exceed: \$3,000 for computer equipment, \$500 for the installation of dedicated telecommunication lines, \$1,000 for facsimile equipment, and \$1,000 for office furniture;

- (2) Providing that the tax credit will not duplicate other tax incentives under section 167 (with respect to depreciation) and section 168 (with respect to accelerated cost recovery system) of the Internal Revenue Code of 1986, as amended;
- (3) Providing that the tax credit will not duplicate any other tax credit under Chapter 235, Hawaii Revised Statutes;
- (4) Defining "telecommunication equipment"; and
- (5) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

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

Signed by all members of the Committee.

SCRep. 94 Labor and Public Employment on H.B. No. 45

The purpose of this bill is to provide benefit rate adjustments under Hawaii's Workers' Compensation law to permanently totally disabled (PTD) workers effective July 1, 1991 and every ten years thereafter.

Your Committee finds that Section 386-35, Hawaii Revised Statutes, provided an adjustment of weekly benefit payments to PTD workers who were injured on or before June 18, 1980 so that the benefits received would be proportionately adjusted to the maximum weekly benefit as of June 18, 1980. The 1980 maximum weekly benefit rate was \$215 per week.

Approximately 900 PTD workers are receiving workers' compensation benefits. Of the 900, about 700 are receiving benefits at the June 18, 1980 benefit rate. Your Committee finds that these workers deserve an adjustment increase because they have not received an increase in over ten years.

Your Committee received testimony in support of the intent of this measure from the Department of Labor and Industrial Relations, the Hawaii Insurers Council, the Hawaii Independent Insurance Agents Association, and the ILWU Local 42.

Based on the recommendations of the Department of Labor and Industrial Relations, your Committee has amended this measure as follows:

- (1) Clarified that requests for employer reimbursements be filed annually with the Department by January 31 of the subsequent calendar year and authorizes the Director of Labor and Industrial Relations to disapprove requests that are not filed properly or not filed in a timely manner; and
- (2) Changed the effective date to January 1, 1992 to provide enough time to ensure that the State will have the financial resources to provide the adjustment.

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

Signed by all members of the Committee.

SCRep. 95 Labor and Public Employment on H.B. No. 2034

The purpose of this bill is to increase the guaranteed monthly salary that exempts an employee from coverage under the Wage and Hour Law from \$1,000 to \$1,250 and to increase the minimum hourly wage payable under the law in an unstated amount.

Your Committee finds that increases in the guaranteed monthly salary and minimum hourly wage are overdue because neither is fulfilling its purpose. This purpose is to establish a floor below which wages will not fall--a minimum standard that is adequate to maintain the public health, efficiency, and general well-being of workers.

An increase of the minimum wage law is needed to restore the purchasing power of poor families and low-wage earners and to ensure that Hawaii's minimum wage is adequate in relation to the federal minimum wage and national averages. The federal minimum wage is now \$3.80 per hour and will increase to \$4.25 on April 1, 1991.

Your Committee finds that since the amendment to the federal minimum wage law, 24 jurisdictions have passed legislation to match the federal rates, and seven of these jurisdictions exceed the federal minimum.

Increases in the Honolulu Consumer Price Index (CPI) further demonstrate how the purchasing power of the minimum wage has been eroded. For example, a worker will need \$4.74 per hour by 1992 and \$5.00 per hour by 1993 to purchase what \$3.85 per hour bought in 1988.

Your Committee heard testimony protesting that an increase in the minimum wage may have serious financial and economic ramifications for the State. However, your Committee finds that a worker with a family of four who is paid the

minimum wage of \$3.85 per hour, or \$8,004 annually, is considered living in poverty. The federal government's poverty level criteria for Hawaii is \$14,610 per year, which is equal to \$7.03 per hour.

If the minimum wage is increased to \$4.75 and \$5.25, a worker would earn \$9,880 and \$10,920 a year, respectively. Although this is still below poverty level, the positive economic effects of an increase would still benefit the worker. A minimum wage increase would make work a more attractive alternative than welfare. Thus, it would encourage unskilled workers and those receiving public assistance to become more self-reliant.

Your Committee received testimony from the Department of Labor and Industrial Relations, the ILWU Local 42, the Hawaii State AFL-CIO, the Hotel Employees and Restaurant Employees Local-5, the Chamber of Commerce of Hawaii, and other interested individuals.

Your Committee has amended this measure by providing that the State minimum wage will be increased to \$4.75 per hour beginning January 1, 1992 and \$5.25 per hour beginning January 1, 1993. In addition, the effective date has been amended to take effect upon approval.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2034, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2034, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 96 Labor and Public Employment on H.B. No. 999

The purpose of this bill is to require all insurers to maintain a complete local claims office with draft authority to enable claimants to obtain their benefits under the workers' compensation law with a minimum of delay.

Your Committee heard testimony from the Department of Labor and Industrial Relations that insurance carriers and self-insured employers are currently not required to maintain local offices with draft authority. This situation causes problems with the enforcement of timely benefit payments under the workers' compensation law by out-of-state insurers.

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

Your Committee has amended this measure to include the use of independent claims adjusting services with draft authority for the processing and payment of workers' compensation.

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

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 97 Labor and Public Employment on H.B. No. 1000

The purpose of this bill is to require all insurers to maintain a complete local claims office with draft authority to enable claimants to obtain their benefits under the temporary disability insurance law with a minimum of delay.

Your Committee heard testimony from the Department of Labor and Industrial Relations that insurance carriers and self-insured employers are currently not required to maintain local offices with draft authority. This situation causes problems with the enforcement of timely benefit payments under the temporary disability insurance law by out-of-state insurers.

Your Committee received testimony from the Department of Labor and Industrial Relations, the Department of Commerce and Consumer Affairs, and the Hawaii Independent Insurance Agents Association.

Your Committee, upon further consideration, has amended this measure to include the use of independent claims adjusting services with draft authority for the processing and the payment of benefits under the temporary disability insurance law.

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

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1000, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all member of the Committee.

SCRep. 98 Ocean and Marine Resources on H.B. No. 38

The purpose of this bill is to conserve the State's fishery resources by making it unlawful to possess or use any gill net in any embayment estuary or fishing conservation area.

According to the testimony presented by the Department of Land and Natural Resources (DLNR), gill nets are a non-selective, though very efficient, means to catch fish. Moreover, few fish inadvertently caught in these nets can be successfully released, because gill nets are set for many hours before they are checked. The efficiency with which gill nets capture fish is especially acute in embayment estuaries which serve as nursery areas for many marine species. In order to ensure the proper management of our fishery resources, it is important that controls be placed on this fishing method especially in sensitive coastal areas.

Your Committee concurs with DLNR's concerns that:

- (1) Hukilau net and paipai net fishing be exempted from this prohibition, because unwanted fish can quickly be released; and
- (2) The terms "embayment estuary" and "fishing conservation area" may be unclear.

Your Committee has therefore amended this bill by:

- (1) Substituting marine life conservation districts for fishing conservation areas;
- (2) Amending Section 188-30.2, Hawaii Revised Statutes, to exempt hukilau nets or paipai nets; and
- (3) Authorizing DLNR to adopt rules to define and delineate the boundaries of embayment estuaries and marine life conservation districts.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 38, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 99 Tourism on H.B. No. 1719

The purpose of this bill is to amend the Hawaii Revised Statutes to permit the limited use of outdoor advertising devices promoting major events held in the State that stimulate tourism or benefit a charitable organization.

Your Committee finds that such outdoor advertising would provide much benefit to worthy causes and the welfare of the State without detracting from the beauty of Hawaii's scenery.

Your Committee amended the bill by changing the description of parties allowed to place names or logos on signs from "business" to "organization" in paragraph (17) of section 1.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1719, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 100 Tourism on H.B. No. 452

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to attract World Cup soccer matches to Hawaii.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Hotel Association, and Outrigger Hotels.

Your Committee finds that visitors attracted to Hawaii by sports events would diversify Hawaii's visitor industry and make Hawaii less vulnerable to changing conditions in its visitor markets that would reduce normal vacation travel, and that world cup tournaments have brought great economic benefit to their host cities. Your Committee therefore finds that holding World Cup soccer matches in Hawaii would provide much direct economic benefit and would also enhance Hawaii's stature as the sports center of the Pacific.

Your Committee amended the bill by removing the appropriation sections because the funding has already been included in the executive budget, changing the effective date to the date of approval, and by making technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 452, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 101 Tourism on H.B. No. 217

The purpose of this bill is to address the childcare needs of workers in the visitor industry by appropriating funds to the Department of Business, Economic Development, and Tourism for establishing a two-year pilot program for at least one childcare project in each county. The bill also provides for better assessment of childcare needs by including childcare in environmental impact statements.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism and the Hawaii Hotel Association.

Your Committee finds that when the war and recession end, human resources will remain the limiting factor in economic activities in Hawaii, particularly in the visitor industry. Your Committee also finds that greater attention to the childcare needs of workers in the visitor industry, such as in the program proposed by this bill, would greatly improve the labor situation, although changing the requirements of the environmental impact statement process would not be the appropriate action for achieving these goals.

Your Committee amended the bill by removing the section including childcare provisions in environmental impact statements, changing the expending agency from the Department of Business, Economic Development, and Tourism to the Office of Children and Youth, changing the funding amount to \$1 for the purpose of continuing discussion, and changing the effective date to July 1, 1991.

Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 217, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 102 Tourism on H.B. No. 259

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to establish an international tourism education institution within the University of Hawaii School of Travel Industry Management.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the University of Hawaii School of Travel Industry Management, and the Hawaii Hotel Association.

Your Committee finds that the nomination of the University of Hawaii's School of Travel Industry Management for designation as an international tourism education center by the United Nations' World Tourism Organization would make it only one of five institutions in the world and the only one in the Pacific or Asia. Your Committee further finds that such a designation would enhance Hawaii's international role in tourism.

Your Committee amended the bill to reflect that the private sector has pledged matching funds in an amount equal to the state's appropriation. Your Committee also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 259, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 103 Tourism on H.B. No. 449

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to develop optimum growth scenarios for future tourism development.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Office of State Planning, and the Hawaii Hotel Association.

Your Committee finds that tourism has brought great economic benefit to the State of Hawaii, but has also brought numerous problems and that future tourism development must proceed at a rate that will support the economy, but must not create additional negative impact on human and physical resources in the State. Your Committee finds that different optimum growth scenarios would take advantage of carrying capacity studies initiated by Act 160, Session Laws of Hawaii, 1990, which studied the capability of regions within the State to absorb projected population growth.

Your Committee further finds that the increasing stress on Hawaii's resources caused by the growing population adds greater gravity to the situation, and that priority should be given to developing these growth scenarios.

Your Committee amended the bill by setting the amount of the appropriation at \$100,000 and making technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 449, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104 Intergovernmental Relations and International Affairs and Judiciary on H.B. No. 2116

The purpose of this bill is to appropriate funds to assist the counties in providing operative support for citizen involvement in volunteer crime prevention programs.

Your Committees find that funds are needed to enhance the existing programs and to promote new ones, specifically those that protect the elderly, the disabled, and the child victims.

Upon further consideration, your Committees have replaced the amounts appropriated to each county with \$1 for purposes of discussion. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committees on Intergovernmental Relations and International Affairs and Judiciary are in accord with the intent and purpose of H.B. No. 2116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2116, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Taniguchi and Thielen.

SCRep. 105 Intergovernmental Relations and International Affairs and Transportation on H.B. No. 455

The purpose of this bill is to allow the counties to increase the certificate of registration fee for highway beautification and the removal of abandoned vehicles.

Your Committees find that changing the limit of the fee from \$1.00 to \$2.00 for each taxable vehicle will increase the amount available for the counties to beautify country highways and to help defray costs associated with abandoned vehicle removal and disposal. This fee increase will ensure that the counties will have enough funds to maintain beautification and abandoned vehicle programs at the present level of service.

Representatives from the City and County of Honolulu and the County of Kauai testified in support of this measure.

Your Committees on Intergovernmental Relations and International Affairs and Transportation are in accord with the intent and purpose of H.B. No. 455 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Taniguchi.

SCRep. 106 Intergovernmental Relations and International Affairs on H.B. No. 424

The purpose of this bill is to charge a fee to those who wish to obtain a permit to acquire firearms.

A representative from the Honolulu Police Department testified that over 400,000 firearms have been registered with the Department, and they process an average of 700 firearms applications each month. This extensive process involves reviewing applications, inspecting firearms, conducting physical and computerized checks, fingerprinting and photographing applicants, and finally forwarding a list of applicants to the Department of Health. Fingerprints must also be classified and sent to the Federal Bureau of Investigations.

Accordingly, it is the intent of your Committee that the fees collected go to the respective county police departments to cover the operating costs incurred during the permit process.

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

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 424, HD 1, as amended and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Taniguchi.

SCRep. 107 Intergovernmental Relations and International Affairs on H.B. No. 1471 (Majority)

The purpose of this bill is to statutorily establish the Office of International Affairs, which will play a critical and needed role in fostering, coordinating, and creating international programs and policies that will affect the State's future development.

Your Committee finds that such an office will develop Hawaii's non-tourist international potential. This office should have five areas of focus:

- (1) International trade;

- (2) Political affairs, such as developing sister-state relations;
- (3) Science and technology, including the global environment;
- (4) International education, with a focus on health and training; and
- (5) Protocol.

Through the initiative of the State House of Representatives, the existing Office of International Relations received initial funding through the Office of the Governor. It is the intent of your Committee to acknowledge the important role of this office by providing it with statutory authority to guide Hawaii on a path toward increased internationalization.

Your Committee intends that this office will be a dynamic one -- an office providing leadership on key international policies affecting the State's future development. This office will ensure that "thinking globally, acting locally" is more than just another slogan.

The Director of the Governor's Office of International Relations, a representative from the Pacific Rim Foundation, and the Steering Committee Chairman for the 1988 Governor's Congress on Hawaii's International Role testified in support of this measure.

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

- (1) Changed the name of the Office of International Affairs to the Office of International Relations;
- (2) Deleted provisions creating an advisory board because it is the intent of your Committee that informal groups will be created by the office;
- (3) Removed the time limit on sister-state agreements;
- (4) Deleted the provisions on the temporary transfer of government personnel because such transfers are already treated in the Hawaii Revised Statutes;
- (5) Deleted the appropriation provisions;
- (6) Amended the effective date to take effect upon approval; and
- (7) Made other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, HD 1, and be referred to the Committee on Finance.

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

SCRep. 108 Intergovernmental Relations and International Affairs on H.B. No. 429

The purpose of this bill is to give each county chief of police the option to retain for county use articles that receive no bid at public auction.

Your Committee finds that found, stolen, or unclaimed property is held for no less than ninety days. After this period, these articles will be sold at public auction to the highest bidder. All moneys received from the auction is paid to the County Director of Finance. However, no procedure exists in the statute for the disposition of articles not sold at auction.

A representative from the Honolulu Police Department testified in favor of this bill.

Your Committee believes that procedures for the disposition of found, stolen, or unclaimed property should be consistent with Section 805-12, Hawaii Revised Statutes, which relates to unclaimed articles used as evidence. If any unclaimed article receives no bid at public auction, then Section 805-12 gives the county chief of police the option of destroying the unclaimed article, giving the article to any department of the county, or donating the article to any charitable institution. This measure has been amended to be consistent with Section 805-12.

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

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 429, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Taniguchi.

SCRep. 109 Intergovernmental Relations and International Affairs on H.B. No. 808

The purpose of this bill is to give the Department of Taxation more time to notify the public of county fuel tax changes.

Your Committee finds that existing law provides that if a resolution for a county fuel tax change is adopted on or before the fifteenth day of a calendar month, the county fuel tax change shall take effect on the first day of the next month following the date of adoption of the resolution. In all other cases, the county fuel tax change shall take effect on the first day of the second month following the date of adoption of the resolution.

Your Committee finds that the change of the effective date of the resolution will allow the Department of Taxation more time in notifying the public of those increases. With a 10-day period of notification of any county fuel tax changes, the Department of Taxation will also be able to more efficiently revise the applicable tax forms in order to incorporate the increase or decrease in the county fuel tax rates.

Testimony in support of this measure was received from the Department of Taxation and the Kauai Council.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Taniguchi and Ward.

SCRep. 110 Intergovernmental Relations and International Affairs on H.B. No. 1057

The purpose of this bill is to provide greater flexibility in the management of the private activity bond volume cap by:

- (1) allowing unrequired authorizations to revert to the State for redistribution among the counties or to be carried forward by the State for future demands;
- (2) requiring each county to submit a written report by December 15 of each year, the amount of bonds allocated for private activity pursuant to Chapter 39B, Hawaii Revised Statutes; and
- (3) establishing that unless the county or any issuer indicates prior to December 15 of each year that it intends to carry forward all or a portion of the county's allocation to private activity bonds in the year, the unassigned or unused allocation shall revert to the State on December 31 of that year.

Your Committee finds that this measure should promote the efficient management of private activity bonds, thereby maximizing the State's funding of desirable private activity projects.

Testimony in support of the measure was submitted by the Department of Budget and Finance.

Your Committee has amended this measure by adding a section on effective date, effective upon the date of approval.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1057, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Taniguchi.

SCRep. 111 Intergovernmental Relations and International Affairs on H.B. No. 195

The purpose of this bill is to amend the statutes governing county charter adoption and amendment to require a majority of all ballots drawn be voted in favor of an amendment in order for it to pass, rather than simply a majority of all ballots cast. This bill would require that blank and spoiled ballots be included in determining the majority of votes needed to adopt and amend county charters.

Your Committee believes that the standard used to determine the adoption of an amendment to a county charter should be the same as that required to amend the State Constitution. Presently, blank and spoiled ballots are not counted in determining the majority of votes needed to ratify changes to a county charter, while blank and spoiled ballots are counted for state constitutional amendments.

For the purpose of clarity, your Committee finds that a "spoiled ballot" means an "over vote". In other words, a spoiled ballot would occur when a voter votes for more candidates than seats or when a voter votes both yes and no on an issue.

Your Committee finds that a large segment of the voters who draw ballots for county charter questions leave their ballots blank or "over vote" because they do not fully understand the issues involved. These blank and spoiled ballots represent the sentiments of the voters who wanted to participate in the charter election, but were unwilling to vote on issues they did not fully comprehend. By excluding spoiled and blank ballots, a portion of the electorate could potentially be eliminated from the decision-making process.

Your Committee received testimony in support of this measure from the City and County of Honolulu, the County of Hawaii, the County of Maui, and the Association of Clerks and Election Officers of Hawaii. In addition, the League of Women Voters of Honolulu raised several valid questions regarding this measure.

Your Committee urges that the counties include in their voter education programs information on the significance of blank ballots in determining the outcome of county charter amendment elections.

To ensure that ratification requirements for adopting and amending county charters and the State Constitution are consistent, your Committee has amended this measure by incorporating the language found in Article XVII, Section 2 of the State Constitution, which sets forth the requirements for revising or amending the State Constitution. By doing so, it is the intent of your Committee that blank and spoiled ballots are counted in determining the total votes cast in an election.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 195, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 112 Education on H.B. No. 276

The purpose of the bill as received is to appropriate funds for a full-time permanent, certified teaching position to serve the needs of the ASPIRE and the Intensive Basic Skills (IBS) programs at Kalaheo High School.

While usefulness of this permanent position is not questioned, your Committee notes a more pressing and widespread issue that needs to be addressed immediately. In this regard, your Committee finds that a significant number of temporary, non-contract state employees in the Department of Education (DOE) have been employed on temporary status for many years, which may be detrimental to the quality of public school education because of the considerable turnover rate of employees who fill these temporary positions. In addition, because employees in temporary positions cannot obtain tenure, the DOE has been experiencing problems in recruitment and retention of staff.

Your Committee has substantially amended the bill by deleting its purpose as received and amending the bill to convert all temporary, non-contract state workers whose positions have been approved by the DOE and whose positions have been funded for a fiscal biennium, to become permanent civil service employees.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 276, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 113 Education on H.B. No. 1357

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 and fiscal year 1992-1993, to design, install, and maintain an effective and reliable on-line personnel information and processing system.

Your Committee heard favorable testimony in support of the bill from the Department of Education (DOE). The DOE explained that the DOE currently has, in partial development, an on-line personnel information and processing system. To date, one of the four major components of the system is operable. There are three remaining components for which the funding would be used to complete the system. However, the DOE recommended that this appropriation not replace any budget priority of the Board of Education.

Your Committee has amended the bill by inserting \$1 for fiscal year 1991-1992 and \$1 for fiscal year 1992-1993 into the bill. Your Committee has also made a technical amendment to clarify that an appropriation is to be made for fiscal year 1992-1993 as well as for fiscal year 1991-1992, inasmuch as such language was inadvertently omitted from the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1357, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114 Education on H.B. No. 1360

The purpose of this bill is to appropriate to the Department of Education \$153,286, or so much thereof as may be necessary for fiscal year 1991-1992, and \$164,395, or so much thereof as may be necessary for fiscal year 1992-1993, to increase funding for student awards and travel.

Your Committee received favorable testimony from the Department of Education in support of this bill. The Department explained as follows: "Students are encouraged to be challenged and to participate in various competitions to optimize their potential. The Department, however, has had to be very selective in its sponsorship of statewide activities and participation in national competitions because current funding for student travel is not adequate."

Your Committee has amended the bill by changing the appropriation for fiscal year 1992-1993 to \$153,286.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1360, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 115 Education on H.B. No. 1364

The purpose of this bill is to appropriate funds of \$16,500, or so much as may be necessary, for fiscal year 1991-1992, and \$12,500, or so much as may be necessary, for fiscal year 1992-1993, to support the Fruit Fly Eradication Education Training program of the Hawaiian Association of the Future Farmers of America. The funds appropriated would be expended by the Department of Education (DOE).

Testimony in favor of the bill, supporting the program in the schools, was received from the Commission on Employment and Human Resources of the Department of Labor and Industrial Relations, the College of Tropical Agriculture and Human Resources of the University of Hawaii, and the DOE. However, the DOE conditioned its support on the appropriation being made as additional funding to the DOE's budget.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1364, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116 Education on H.B. No. 1367

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for the hiring of additional counselors to serve in public schools in the Department of Education (DOE).

The DOE, public school counselors, and other interested persons testified in favor of this bill. The Hawaii State Student Council, the Hawaii State Teachers Association, public school counselors, and others testified in support of providing additional counselors to serve in Hawaii's public schools.

Your Committee notes that the American School Counselors Association and the National Counselors Association recommend one counselor to two-hundred fifty students for all schools.

Your Committee has amended the bill as follows:

- (1) Specified that fifteen additional counselors be provided for each year of the 1991-1993 fiscal biennium to serve in the public schools;
- (2) Inserted the appropriation sums of \$318,135 for fiscal year 1991-1992 and \$404,850 for fiscal year 1992-1993 for the hiring of these additional counselors; and
- (3) Stipulated that the schools selected for these additional counselors be selected on the following guidelines:
 - (A) School enrollment, in particular, the students-to-counselor ratio;
 - (B) School transiency rate;
 - (C) School absentee rate;
 - (D) Number of students in special education; and
 - (E) Number of students enrolled in the Students of Limited English Proficiency (SLEP) program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1367, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 117 Education on H.B. No. 1374

The purpose of this bill is to appropriate funds for the allocation of thirty-seven library assistant positions to deliver high quality library service in the public schools.

The Department of Education, the Hawaii State Teachers Association, the Hawaii Association of School Librarians, public school educators and students, and concerned parents testified in favor of this measure.

Pursuant to the recommendation in the 1985 School Staffing Study of the Hawaii Department of Education, your Committee has made the following amendments to the bill:

- (1) Specified that eighteen full-time library assistant positions be established for fiscal year 1991-1992 and nineteen full-time library assistant positions be established for fiscal year 1992-1993;
- (2) Inserted the appropriation sums of \$239,580 for fiscal year 1991-1992 for eighteen full-time library assistant positions and \$303,468 for fiscal year 1992-1993 for nineteen full-time library assistant positions; and

- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1374, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 118 Education on H.B. No. 1387

The purpose of this bill is to appropriate funds to establish full-time registrar positions at all intermediate schools.

The Department of Education, the Hawaii State Teachers Association, Hawaii Registrar's Association, public school registrars, and other interested persons testified in support of the measure.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$783,709 for fiscal year 1991-1992 and \$998,630 for fiscal year 1992-1993 for full-time registrar positions at all intermediate schools; and
- (2) Established 37 full-time registrar positions at all intermediate schools for each year of the 1991-1993 fiscal biennium.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1387, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119 Education on H.B. No. 1406

The purpose of this bill is to appropriate funds to be expended by the Department of Education for transportation and medical services for the interscholastic athletics program.

Your Committee finds that the cost of transportation and medical services have increased and, without additional funds, student safety may be jeopardized. Moreover, additional funds for transportation services will allow more students to participate in athletic programs.

Testimony supporting the intent of this measure was submitted by the Department of Education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1406 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120 Education on H.B. No. 1402

The purpose of this bill is to appropriate funds to be expended by the Department of Education (Department) to establish teacher development centers to improve the quality of the teaching skills and curriculum in Hawaii's schools.

Your Committee finds that teacher development centers would provide sites for inservice teachers to improve their teaching programs and practices and for student teachers to observe and participate in programs that will better qualify them for future teaching positions.

Testimony supporting the intent of this measure was submitted by the Department of Education.

Your Committee has amended this bill to insert the sum of \$1 as the amount to be appropriated for each fiscal year 1991-1992 and 1992-1993.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1402, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121 Education on H.B. No. 1603

The purpose of this bill is to provide funds for fiscal year 1991-1992 to continue funding of the community-based aquaculture program in Kahuku.

The Department of Education and other interested individuals testified in support of the measure.

Your Committee has amended the bill by amending the appropriation sum for fiscal year 1991-1992 to \$81,544 to continue funding of the community-based aquaculture program in Kahuku.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1603, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122 Education on H.B. No. 1738

The purpose of this bill is to create a pilot program to place two full-time qualified physical education teachers in each of the Department of Education (DOE) school district offices and to provide the funding needed by the DOE to evaluate the results of this pilot program and to develop a long-range plan to expand the physical education program to all public schools in the State.

Your Committee received testimony from the DOE in opposition to this bill. The DOE testified that school districts already have full-time qualified physical education teachers who are responsible for assisting and training classroom teachers.

The Hawaii Association of Health, Physical Education, Recreation and Dance; the American Academy of Pediatrics, Hawaii Chapter, Inc.; Assistant Professors from the University of Hawaii's Department of Health, Physical Education and Recreation; and other interested individuals testified in support of this measure.

Your Committee has amended the bill as follows:

- (1) Placed one full-time qualified physical education teacher in each of the seven DOE school district offices;
- (2) Specified that the DOE be the agency to develop a long-range plan to expand the physical education program to all public schools in the State, and to report its findings and recommendations of its long-range plan to the Legislature not later than twenty days prior to the convening of the Regular Session of 1993;
- (3) Inserted the appropriation sum of \$337,393 for fiscal year 1991-1992 to place one full-time qualified physical education teacher in each of the seven DOE school district offices; and
- (4) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1738, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 123 Education on H.B. No. 1751

The purpose of this bill as received is to expand the Open Doors tuition subsidies to help a minimum of 1,500 children from ages three to five by 1993 and to implement an early childhood resource development demonstration project.

The Office of Children and Youth, the Hawaii Business Roundtable, and the Hawaii Association for the Education of Young Children testified in favor of this measure.

Your Committee has amended the bill as follows:

- (1) Included the establishment of an early childhood program foundation in the Office of Children and Youth to supplement the early childhood education and child care services of the State;
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1751, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 124 Education on H.B. No. 1753

The purpose of this bill is to provide funds for fiscal year 1991-1992 to increase staffing for the special education program of the Department of Education (DOE).

The DOE, the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, and others testified in favor of this measure. The DOE testified that data indicate that a reduction in the ratio of students to instructional personnel will increase the quality and quantity of instructional time available to students with disabilities so that they can move to less restrictive placements within shorter time frames.

Your Committee has amended the bill as follows:

- (1) Changed the year of appropriation to the 1992-1993 fiscal year; and
- (2) Inserted the appropriation sum of \$1,539,432 for the 1992-1993 fiscal year to increase staffing for the special education program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1753, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 125 Education on H.B. No. 1390

The purpose of this bill is to provide funds for each year of the 1991-1993 fiscal biennium to implement the six-year plan for vocational education.

The Department of Education, the Department of Labor and Industrial Relations, the Learning Disabilities Association of Hawaii, and Project Po'ohala submitted testimony in favor of the bill.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$533,770 for fiscal year 1991-1992 and \$500,565 for fiscal year 1992-1993; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1390, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 126 Education on H.B. No. 728

The purpose of this bill is to provide funds to reduce the students-to-teacher ratio in grade three in all public schools to twenty students per teacher.

The Department of Education and the Hawaii State Teachers Association submitted testimony in support of the measure.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$3,542,070 for fiscal year 1991-1992 and \$4,250,117 for fiscal year 1992-1993 to provide funds to reduce the students-to-teacher ratio in the third grade;
- (2) Specified that the appropriation sums shall be used for the hiring of 167 teacher positions in each year of the 1991-1993 fiscal biennium; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 127 Water, Land Use and Hawaiian Affairs on H.B. No. 1955

The purpose of this bill is to appropriate funds for a cooperative study by the Department of Land and Natural Resources and the United States Geological Survey (USGS) analyzing the statewide water resources monitoring program.

Your Committee received testimony on this bill from the Department of Land and Natural Resources and the Hawaii Audubon Society. Both supported the bill, agreeing that an analysis of the existing water resources monitoring network is badly needed to adequately implement the State Water Code.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1955 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 128 Water, Land Use and Hawaiian Affairs and Judiciary on H.B. No. 1222

The purpose of this bill is to relocate the Hawaiian families living in Kalapana who were displaced or dispossessed as a result of the volcanic eruptions which began on January 3, 1983 to not more than 150 acres of State-owned unencumbered lands at Kikala Keokea Homesteads, Puna, Hawaii; to authorize the Department of Land and Natural Resources to subdivide and provide for the creation of a residential subdivision; and, to authorize said department to negotiate and enter into 65-year long-term leases with qualified displacees.

Your Committees received testimony from the Department of Land and Natural Resources (DLNR), the Gibson Foundation, Mrs. Edleen Peleiholani, George Yokoyama, the Mayor of Kalapana, Pa'a Pono-Miloli'i Association, and the Office of Hawaiian Affairs (OHA).

All parties concurred that the families should be relocated as soon as possible to an appropriate site. Because Kalapana was one of the two remaining traditional fishing villages on the Big Island, keeping the new village close to the ocean was a prime consideration. Although concern was expressed that the Kikala Keokea Homestead area was in a region of high flow hazard, the mobile design of the homes was felt to be sufficient safeguard against having these families' homes yet again overrun by lava. In order to expedite the relocation, the families requested only minimal infrastructure.

DLNR called attention to a possible loophole in the bill whereby persons qualified as Hawaiian pursuant to Section 13D-3(b) could be issued long-term leases even though they were not displacees of volcanic eruptions. Accordingly, your Committees made some minor clarifications in the criteria listed in Section 2.

Your Committees on Water, Land Use and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of H.B. No. 1222, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1222, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 129 Water, Land Use and Hawaiian Affairs and Higher Education and the Arts on H.B. No. 742

The purpose of this bill is to amend Chapter 235, Hawaii Revised Statutes, by providing for a tax credit equal to 20%, but not more than an unspecified amount, of the expenses paid for the rehabilitation, restoration, or preservation of a property listed on the Hawaii Register of Historic Places. It requires that the historic characteristics of the property not be altered by the activity.

Your Committees received testimony from the Department of Taxation, the Department of Land and Natural Resources (DLNR), and the Tax Foundation of Hawaii.

Since the federal tax credit for the renovation of historic properties was reduced, the financial climate for such projects has been less favorable. Most grant funds are available only for nonprofit organizations and not businesses. Therefore, commercial landowners need some financial incentive to rehabilitate their historically significant holdings. Although there was concern about decreasing the amount of revenues to the general fund by establishing a new tax credit, your Committees felt that the spectacular results accomplished in Chinatown justified the relatively small loss in revenues.

However, placing the responsibility to review these tax projects upon the Hawaii Historic Places Review Board was not deemed appropriate for the following reasons. It is a volunteer board, which meets on a sporadic basis. Its function has been primarily to place sites on the Hawaii Register of Historic Places. In contrast, the State Historic Preservation Division of the Department of Land and Natural Resources includes within its staff an architect and architectural historian. These staff have been responsible for reviewing all federal tax credit applications for their appropriateness, and it would appear to be more cost-effective and efficient if the Division would be assigned the responsibility to review the State application as well. Accordingly, your Committees have amended this bill to make the State Historic Preservation Division the responsible body. In addition, some minor technical errors were corrected.

Your Committees on Water, Land Use and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 742, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 742, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 130 Housing on H.B. No. 1053

The purpose of this bill is to amend Section 516-9 of Hawaii Revised Statutes. The bill exempts the Housing Finance and Development Corporation from liability of pre-existing and future conditions of land condemned for lease to fee simple conversion.

Your Committee heard testimony from the Housing Finance and Development Corporation which strongly supports the bill.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1053 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 131 Housing on H.B. No. 1054 (Majority)

The purpose of this bill is to amend Section 516-56, Hawaii Revised Statutes. Under this bill, the Housing Finance and Development Corporation does not have the burden of proof in establishing the fair market value of leased fee interest being acquired.

Your Committee heard testimony from the Housing Finance and Development Corporation which strongly supports this bill.

Your Committee notes that the HFDC does not have a direct interest in the amount of compensation and damages that the court may award in eminent domain proceedings. The HFDC may participate but shall not be required to have the burden of proof. HFDC also states that in leaving the burden of proof with the parties who have a direct interest, the costs of eminent domain actions will be significantly reduced to the defendant lessees who ultimately bear all costs incurred by the HFDC in actions brought.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1054 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 132 Housing on H.B. No. 1978

The purpose of this bill is to authorize the Director of Finance to issue general obligation bonds in the sum of \$100,000,000 and to appropriate as much as necessary of that amount for fiscal year 1991-92 for infrastructure for the Housing Finance and Development Corporation.

Your Committee received testimony from the Housing Finance and Development Corporation in support of the concept of this bill. They stated that the use of State appropriations for infrastructure development would lower overall housing costs in HFDC projects. Their testimony stressed that they were concerned with the impact of the bill on the State's debt ceiling, and requested that this measure not replace priority projects proposed by the administration.

Your Committee believes that a number one priority of the State is housing for those in need of it. Your Committee requested progress reports on HFDC projects including Keystone in Nanakuli; the Villages at Kapolei; the Villages of La'i'opua, Kealakehe, Hawaii; the Kauai Master Planned Community; and the Lahaina Master Planned Community. The Housing Finance and Development Corporation agreed to provide the information for your Committee.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1978 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 133 Housing on H.B. No. 125

The purpose of this bill is to amend Chapter 515, Hawaii Revised Statutes, relating to discrimination in real estate transactions, to eliminate discrimination against physically handicapped persons in the area of housing. Specifically, the bill provides that it is discriminatory practice to:

- (1) Refuse to permit a handicapped person from making reasonable and necessary modifications to existing premises, e.g., rental units, when such modifications are paid for by the handicapped person; and
- (2) Refuse to make reasonable accommodations in rules, policies, practices, or services which are necessary to afford a handicapped person equal opportunity to use and enjoy a housing accommodation.

This bill also provides physically handicapped and mentally ill persons with larger rent supplements and priority status for the supplements to enable them to obtain housing meeting their special needs.

Finally, the bill requires the Director of Health to develop and operate a program to certify the handicapped status of persons searching for housing accommodations or applying for state rent supplement benefits.

Your Committee received testimony in support of this measure from the American Association of Retired Persons, the Hawaii Civil Rights Commission, the Big Island Alliance for the Mentally Ill, and the Hawaii Centers for Independent Living.

While in support of the intent of the measure, the Department of Health felt that in order to eliminate unnecessary cost to the State, physicians' statements on handicapping conditions could be accepted in lieu of a new certification process.

The Hawaii Housing Authority testified in opposition to all proposed changes to the Rent Supplement program. This testimony emphasized that giving priority status for rent supplements to the handicapped would result in a restructuring of the entire focus and scope of the program towards special needs groups. This testimony also indicated that authorizing the Director of Health to prioritize rental supplement applicants and determine rent supplement amounts would result in encroachment on HHA authority to administer the program.

Your Committee has amended this bill by:

- (1) Deleting all amendments pertaining to the rental supplement program;
- (2) Providing that the Act is effective upon its approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

In the interest of devising strategies which further address the housing needs of the handicapped, your Committee also encourages the HHA to begin gathering needed statistical data regarding the numbers of handicapped persons who have been forced to turn down a vacant rental unit because they could not get financial assistance to make needed unit modifications.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 125, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134 Judiciary on H.B. No. 601

The purpose of this bill is to amend Section 607-5, Hawaii Revised Statutes, by revising the filing fee schedule as administered by circuit court.

The revision of the filing fee schedule should reduce workload, offset losses in revenues, and decrease some court costs to the public.

Testimony in support of this measure was submitted by the Judiciary and the Hawaii State Bar Association.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 601, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 135 Judiciary on H.B. No. 966

The purpose of this bill is to appropriate monies for the compensation of injuries as allowed under Chapter 351, Hawaii Revised Statutes.

All monies will be used for payments authorized by the Criminal Injuries Compensation Commission.

Testimony in support of this measure was submitted by the Department of Public Safety.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 966 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 136 Judiciary on H.B. No. 2040

The purpose of this bill is to authorize the issuance of general obligation bonds as a grant-in-aid to the Hawaii Wing Civil Air Patrol for the design and construction necessary to replace the Civil Air Patrol hangars and facilities in Hawaii.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii.

Your Committee has amended this bill by:

- (1) Reducing the individual sums appropriated for all airports except Hilo International Airport to zero;
- (2) Reducing the sum appropriated to Hilo International Airport to \$1; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2040, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 137 Judiciary on H.B. No. 1951

The purpose of this bill is to require and appropriate monies for individuals convicted of sex offenses or classified as career criminals to submit to blood and saliva testing.

By having individuals convicted of sex offenses or classified as career criminals submit to blood and saliva testing, law enforcement will be able to obtain a DNA identification profiles which will assist in identifying perpetrators in acts of crime.

Joint testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Police Chiefs of the City and County of Honolulu as well as the Counties of Hawaii, Kauai, and Maui.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1951 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 138 Tourism on H.B. No. 1736

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to establish at least six structures to perpetuate the Hawaiian name and historical background of important areas within the State.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources, the Hawaii Hotel Association, and several Waianae residents.

Your Committee finds that the structures called for in the bill would provide great benefit to the Hawaii tourism industry by imparting to visitors the rich heritage of the ancient Hawaiian culture, giving them a special knowledge of the "true Hawaii," beyond the hotels and nightclubs, thereby emphasizing aspects of Hawaii that no other destination could duplicate, and that local residents would also benefit from the greater cultural awareness engendered by this bill. Your Committee further finds that this project should begin in Waianae because of the strong support of nearby residents.

Your Committee amended the bill by changing "structures" to "markers" and by including in the project maintenance of the markers and restoration of the sites.

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

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1736, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139 Tourism on H.B. No. 1453

The purpose of this bill is to create a special emergency marketing fund and to make an initial appropriation for the fund to the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, the Hawaii Hotel Association, Outrigger Hotels, and Poipu Beach Resort Association.

Your Committee finds that recent events have shown the vulnerability of the Hawaii economy to visitor slowdowns caused by external, uncontrollable factors, and that the neighbor islands have been hardest hit, reporting the greatest losses in hotel room occupancies and in income.

Your Committee also finds that the economy should be protected from such circumstances by creating a special marketing fund for special promotions, marketing and advertising in the case of unforeseen events causing or potentially causing drastic declines in tourism, not just mild slowdowns, and that such promotions should pay particular attention to the greater fragility of the neighbor islands' visitor markets.

Your Committee amended the bill by changing the initial appropriation to \$6 million, changing the fund from a special fund to a revolving fund, defining the conditions that would call for use of moneys from the fund, and describing examples of events that would trigger expenditures from the fund.

Your Committee also amended the bill by changing the responsibility for the fund and reporting to the Legislature from the Deputy Director of Tourism to the Director of Business, Economic Development and Tourism, by requiring that the tourism marketing council review expenditures from the emergency marketing fund, and by providing that counties receive their share of transient accommodation taxes on a monthly rather than a semi-annual basis, requiring that the State Tourism Marketing Council review any plans for expenditure of moneys from the fund, but providing that the moneys from the initial appropriation need not be reviewed by the Council, and making technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1453, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1453, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140 Tourism on H.B. No. 675

The purpose of this bill is to amend the Hawaii Revised Statutes to increase the number the parties exempted from paying the general excise tax on more than their portion of shared tourism-related income, and to expand the definition of "tourism related services" to include transient accommodations furnished at noncommissioned negotiated contract rates, lei greetings, transportation that is included in tour packages sold for package prices, and other incidental services included within tour packages.

Your Committee finds that inequities appear to exist in existing statutes regarding the assessment of the general excise tax on the revenues of travel-related companies, and that this bill should be kept alive for the purpose of continuing discussion of this vital matter.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 675 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141 Tourism on H.B. No. 450

The purpose of this bill is to create a special fund to encourage non-tourism related economic activities, in order to diversify the Hawaii economy. The special fund would include funds from any future legislative appropriations and from impact fee assessments collected in lieu of the required creation of non-tourism jobs.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Office of State Planning, and the Hawaii Hotel Association.

Your Committee finds that according to the Office of State Planning's report to the Legislature in response to H.C.R. No. 73-90, the State has already established a policy of requiring that developers create one non-tourism job for every hotel room approved in future resort developments, or, in the alternative, receive an impact fee assessment, and that the State has already begun to assess such impact fees, by the authority of already-existing powers of the Land Use Commission. Your Committee finds that the deposit of the fees into a separate fund allows for greater accountability and more effective use of funds to help accomplish the objective of the one non-tourism job per hotel room policy, the diversification of the State economy and reduced dependence on one single industry.

Your Committee amended the bill by renaming the fund to the "impact fee assessment account," and changing it from a special to a revolving fund. Your Committee further amended the bill by adding a definition of non-tourism related jobs and by making technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 450, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 142 Tourism on H.B. No. 2115

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for assisting Destination Hilo in its efforts to stimulate tourism activity to East Hawaii.

Your Committee finds that the economic condition of East Hawaii warrants the appropriation of additional moneys for attracting greater visitor travel to the area.

Your Committee amended the bill by changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2115, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 143 Agriculture on H.B. No. 2047

The purpose of this bill is to make taro farming more productive by controlling diseases and weed-related crop losses. This bill would appropriate \$159,000 for fiscal year 1991-1992 for the development of facilities to conduct research on taro soft and hard rot disease and to experiment with the rodeo form of glyphosate to control weeds in taro fields.

Testimony from the College of Tropical Agriculture and Human Resources and the Kauai County Office of Economic Development indicated that:

- (1) Taro income added \$1.4 million to Kauai's economy in 1990 with Kauai's farmers producing two thirds of the State's taro crop; and
- (2) The taro industry has deep cultural and aesthetic significance to Hawaii and is vital to the overall health of diversified agriculture in Hawaii.

Upon further consideration, your Committee has amended this bill to make the Governor's Agriculture Coordinating Committee the expending agency. Your Committee has further amended this bill to make technical non-substantive corrections for purposes of clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2047, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 144 Agriculture on H.B. No. 2082

The purpose of this bill is to provide a means for a Hawaii agricultural cooperative to merge or consolidate with an agricultural cooperative organized under the laws of another jurisdiction.

Testimony in support of this bill was received from the United States Department of Agriculture's Agricultural Cooperative Service and the Department of Commerce and Consumer Affairs.

Your Committee has amended this bill to provide that a merger or consolidation may take effect no later than thirty days after the filing of articles of merger or consolidation. Technical, nonsubstantive amendments have also been made for purposes of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2082, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 145 Agriculture on H.B. No. 2067

The purpose of this bill is to protect Hawaii's soil and water resources by strengthening the role of the Soil and Water Conservation Districts in the agricultural and natural resource conservation community.

Specifically, this bill amends the Soil and Water Conservation District chapter to change the qualifications of the directors of the Districts and the manner in which they are elected. It also provides for the establishment of an association to coordinate the policies and actions of the individual districts, and for the appointment of nonvoting associate directors to the districts.

Testimony in support of this bill was received from the United States Department of Agriculture Soil Conservation Service, the Department of Health, the Department of Land and Natural Resources, and individual district directors.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2067 and recommends that it pass Second Reading and be referred to the Committee on Water, Land Use and Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 146 Agriculture on H.B. No. 792

The purpose of this bill is to amend the Hawaii Seed Law to modify and strengthen seed labeling provisions, to clarify and streamline the processes of seed sampling, seed testing, and issuing reports for regulatory purposes, and to set new requirements for seed licenses.

Your Committee finds that the provisions contained in this bill are necessary for the Department of Agriculture's administration of the Seed Law, including monitoring compliance with Chapter 150.

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

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

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 792, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 147 Agriculture on H.B. No. 1614

The purpose of this bill is to institute labeling requirements for Kona coffee. This bill would amend Chapter 147 (Grades and Standards), Hawaii Revised Statutes (HRS), to require all coffee made with Kona coffee beans for sale in Hawaii be labeled to indicate whether it is a pure or blended product. If blended, the label would show the percentage of Kona coffee blend by weight or volume.

Your Committee received testimony from the Department of Agriculture, University of Hawaii-Hilo, Hawaii Farm Bureau Federation, Kona Kai Farms, Hawaii Food Industry Association, Lion Coffee, Kona Kulana Farm, Hawaii Coffee Growers Association, Kona Coffee Council, and Mauna Loa Macadamia Nut Corporation.

Proponents of this bill indicated that the provisions regarding misbranding and labeling under Chapter 486 (Measurements and Standards) do not adequately protect the interest of the public or the coffee growers. Blends of Kona coffee beans with beans from other locations are simply labeled as "Kona Blend" or words to that effect. Many consumers assume this simply means different qualities of Kona beans are used, and since no indication is required of the percentage of Kona beans in the blend, producers are able to use a small percentage of Kona beans, take advantage of the value inherent in the Kona label to sell the blend at a premium price, and consumers do not get an accurate sense of the flavor of the Kona coffee bean.

Upon further consideration, your Committee has determined that the proposed new section should more appropriately be included in Chapter 486, HRS, rather than Chapter 147, HRS. Your Committee has further amended this bill to specify that pure Kona coffee must be made from prime grade or better Kona coffee beans.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1614, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 148 Agriculture on H.B. No. 561

The purpose of this bill is to require a statement on the label of a macadamia nut product using Hawaii-grown macadamia nuts to specify explicitly that the product uses Hawaii-grown nuts.

Testimony from the Department of Agriculture, the Hawaii Farm Bureau Federation, the Hawaii County Department of Research and Development, and the Hawaii Macadamia Nut Association supported this bill to provide the consumer with information about the origin of the macadamia nuts and macadamia nut product offered for sale in Hawaii. The testimony indicated that:

- (1) The term, "unprocessed macadamia nut product," needs to be clarified;
- (2) The origin of macadamia nut products sold in "non-consumer" or bulk packaging needs to be identified;
- (3) The term "Grown in Hawaii" should be made more specific (ie., contains macadamia nuts grown in Hawaii);
- (4) Mandatory declaration for 100 per cent Hawaiian grown nuts would cause problems to firms when suppliers are not able to meet the demand; and
- (5) Labeling of products containing a mixture of Hawaiian and non-Hawaiian nuts would pose a problem.

Your Committee finds that the Hawaiian macadamia nut industry is a world leader in production and quality. However, because of the expanded world-wide production of macadamia nuts, Hawaii's market share may be diminishing. Products containing foreign nuts are often packaged and promoted to lead consumers to believe that the nuts are grown in Hawaii. Your Committee therefore recognizes the need for a labeling measure to prohibit the misrepresentation as to the origin of the nuts or products.

Upon consideration of points raised by testifiers, your Committee has amended this bill by:

- (1) Deleting the requirement that sellers label products containing only Hawaii-grown macadamia nuts to provide notice of this;
- (2) Requiring that sellers who wish to represent that their macadamia products contain only nuts grown in Hawaii use a specific statement and be prepared to offer proof to the Department of Agriculture; and
- (3) Requiring that all non-consumer packages containing Hawaii-grown macadamia nuts be labeled as such.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 561, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 561, HD 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 149 Agriculture on H.B. No. 1207

The purpose of this bill is to appropriate \$620,000 in general funds in each year of the fiscal biennium 1991-1993 to the Department of Agriculture for the promotion of various agricultural products, provided that the amount appropriated for the promotion of each agricultural product is matched by private contributions on a dollar-for-dollar basis. This bill would also consolidate the individual promotional bills for each of the identified agricultural products under one bill.

Your Committee finds that local producers are facing increasing competition from foreign and domestic producers. By targeting markets through promotional programs, this bill would foster an appreciation of the good quality, freshness, and uniqueness of available Hawaii products, boosting demand for Hawaii agricultural products.

Your Committee received testimony in support of this bill from the Department of Agriculture, the Kona Coffee Festival Committee, the Hawaii Macadamia Nut Association, the Hawaii Papaya Industry Association, the Hawaii Anthurium Industry Association, and the Hawaii Egg Producers Association.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1207 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 150 Agriculture on H.B. No. 1430

The purpose of this bill is to appropriate \$50,000 to study ways to market guava puree on the U.S. mainland, in Asia, and in Europe.

Testimony from the Department of Business, Economic Development, and Tourism, Hawaii Guava Association, and Kilauea Agronomics, Inc., indicated that:

- (1) Because of the popularity of tropical fruit drinks throughout the world, other tropical and subtropical regions are increasing their production of the pink or Hawaiian variety of guava puree and marketing their products at lower prices;
- (2) This situation has caused a glut of guava puree in Hawaii, which the processors may not be able to sell before the start of fall harvesting season in Hawaii; and
- (3) The problems associated with the growth of the Hawaiian guava industry and competition from abroad can be resolved through marketing studies to expand the market for Hawaiian guava puree on the mainland, in Asia, and in Europe.

Upon further consideration, your Committee has amended Section 2 of this bill to make the Department of Agriculture the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1430, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 151 Agriculture on H.B. No. 1910

The purpose of this bill is to appropriate \$1,765,000 for the fiscal biennium 1991-1993 to plan, design, construct, and equip an agricultural product marshalling and processing center at Keahole, Hawaii.

The proposed facility is needed to treat cut flowers and foliages for pests prior to shipping the products out of state. Other farm produce such as fruits and vegetables would also be marshalled and processed through this facility, mainly for shipment consolidation by small farm operations.

Testimony in support of this bill was received from the Department of Agriculture.

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

- (1) Inserted the fiscal years for the appropriations for plans, design, equipment, and construction; and
- (2) Made the Department of Agriculture the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1910, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1910, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 152 Agriculture on H.B. No. 794

The purpose of this bill is to clarify the meaning of the term "microorganism" as used in the Hawaii Plant and Non-Domestic Animal Quarantine Law, and to clarify that violations involving the importation or possession of prohibited animals are a class C felony.

Your Committee finds that the term "microorganism", as used in Chapter 150A, Hawaii Revised Statutes (HRS), refers to any bacteria, fungus, or virus, and that this definition needs to be added to the chapter for clarity. Your Committee also finds that the penalties for the importation and possession of prohibited animals are not consistent. Although section 150A-14(c), HRS, treats all violations involving prohibited animals as a class C felony, section 150A-14(a), HRS, treats violations involving snakes and other prohibited animals as a misdemeanor. The amendments in this bill would make it clear that any violation involving prohibited animals is a class C felony.

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

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 794 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 153 Agriculture on H.B. No. 782

The purpose of this bill is to protect existing agricultural activities when adjacent lands are reclassified into the urban district. This bill would require the petitioners for reclassification to inform prospective occupants of residential property about the possible impacts from adjacent agricultural activities and include a covenant in the deed which would release the agricultural operators from all liability.

Your Committee finds that farmers operating adjacent to newly reclassified urban lands being used for residential purposes often become the victims of complaints and lawsuits arising from nuisances from normal agricultural operations. This bill would supplement the Hawaii Right to Farm Act, Chapter 165, Hawaii Revised Statutes, which prevents premature removal of agricultural lands because of the nuisance issue.

Your Committee received testimony in support of this bill from the Department of Agriculture, and the Hawaii Farm Bureau Federation.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 782 and recommends that it pass Second Reading and be referred to the Committee on Water, Land Use and Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 154 Agriculture and Intergovernmental Relations and International Affairs on H.B. No. 1086

The purpose of this bill is to create an agricultural revolving loan program. This bill would appropriate \$250,000 for each fiscal year of the biennium 1991-1993 to stimulate business development and growth in diversified agriculture on the Island of Molokai.

Testimony in support of this bill from the Office of Hawaiian Affairs indicated that:

- (1) Because of difficulties in securing financing, much of the Hawaiian homestead agricultural lands on Molokai remain under-utilized;
- (2) Loans made through this program would help the homesteaders venture into diversified agricultural farming; and
- (3) This loan program is a prototype for further economic development on Hawaiian Homes Lands.

Your Committees on Agriculture and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1086 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 155 Consumer Protection and Commerce on H.B. No. 2138

The purpose of this bill is to repeal section 244D-4.5, Hawaii Revised Statutes, which provides for the automatic adjustment of the liquor tax rates, and amend sections 244D-1, 244D-6, and 244D-9 to eliminate references to "unit price" and "dollar volume."

The Anheuser-Busch Companies, Coors Beer, Wholesale Liquor Dealers Association of Hawaii, Paradise Liquors, and the Tax Foundation of Hawaii testified in favor of this bill, while the Department of Taxation opposed.

The current escalator clause is a provision which replaced the twenty per cent (20%) ad valorem tax declared unconstitutional by the United States Supreme Court. The escalator clause is a mathematical formula designed to increase or decrease liquor tax rates based on fluctuations in price and volume sold. It was created in 1986. Because no one

knew exactly how the gallonage tax or the escalator clause would work, a sunset provision was added to the law to force its re-evaluation by the 1989 Legislature.

The 1989 Legislature concluded that the gallonage system had proved its worth and made it a permanent part of the liquor tax law. The legislators were, however, concerned about the economic effect, fairness and possible illegality of the escalator clause. They, therefore, suspended the clause for two years while the matter was reviewed by the Tax Review Commission. The Tax Review Commission, after review, suggested either adjusting or sunsetting the escalator provision.

The bill, in its proposed form, renders the liquor tax rates of June 1989 (prior to suspension) permanent.

Your Committee declines to totally eliminate the escalator provision and; instead, has amended this bill by extending the current suspension of the escalator clause until June 30, 1993.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2138, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 156 Consumer Protection and Commerce on H.B. No. 831

The purpose of this administration bill is to amend section 671-11, Hawaii Revised Statutes, relating to the Medical Claims Conciliation Panel ("MCCP").

The Department of Commerce and Consumer Affairs testified in favor of the amendment.

The proposed amendment incorporates the following four changes to the MCCP, which conducts hearings regarding medical claims:

- 1) Specifies that Chief Justice of the Supreme Court does not need to actually appoint the chairpersons of MCCP panels, as currently required by statute. This would be delegated to the director of the department who may appoint chairpersons from a list approved by the Chief Justice;
- 2) Specifies that the physician or surgeon members of the MCCP panels be currently licensed and in good standing under the provisions of HRS Chapter 453 and 460. This proposed amendment is to ensure that only physicians or surgeons who are currently licensed, and in good standing, may serve on MCCP panels;
- 3) Allows the director of the department to have the discretion of providing partial compensation to MCCP panel members and any consultants called by the MCCP panels, if the MCCP claim is disposed of by any means prior to the actual hearing. The proposed amendments would allow MCCP panel members to receive one-half of the compensation which MCCP panel members receive after the hearings on claims have been completed;
- 4) Allows the chairpersons of MCCP panels to designate alternative meeting places or sites for the hearings, in order to accommodate any special needs for particular hearings.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 831 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 157 Tourism and Intergovernmental Relations and International Affairs on H.B. No. 1254

The purpose of this bill is to transfer the international tourism consulting center and clearinghouse from the Department of Business, Economic Development, and Tourism to the Governor's Office of International Relations.

Your Committees received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Office of International Relations, and the Hawaii Hotel Association.

Your Committees find that Hawaii should take advantage of its considerable tourism expertise and the increasingly important international role of the Pacific and Asia, and that a consulting center and clearinghouse to promote and coordinate tourism-related consulting, training, and research services would increase Hawaii's international stature, particularly in the important tourism industry, and would help diversify the economy of the State.

Your Committees further find that although funds were appropriated for such a center in 1989, they were not used, and that responsibility for the center should be placed with the Governor's Office of International Relations.

In addition, your Committees find that there is strong interest in Japan and the rest of Asia and the Pacific in using Hawaii tourism consulting services in their own resort developments, that this consulting market involves billions of dollars, and that any delay in implementing the clearinghouse will result in lost opportunities for Hawaii businesses.

Your Committees amended the bill by including a provision in section 2 requiring that the Office of International Relations shall closely coordinate its activities on the consulting center and clearinghouse with the Department of Business, Economic Development, and Tourism.

Your Committees also made technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1254, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1254, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 158 Tourism and Intergovernmental Relations and International Affairs on H.B. No. 2191

The purpose of this bill is to appropriate funds to the County of Hawaii to facilitate the coordination of the efforts of public and private agencies involved in preparation for the solar eclipse of July 11, 1991.

Your Committees received testimony in support of this bill from the Office of the Mayor, County of Hawaii, the University of Hawaii Institute for Astronomy, and the Bishop Museum.

Your Committees find that the potentially large number of people from other islands and from around the world drawn to the island of Hawaii to view the solar eclipse would provide much-needed economic benefit to the State, and would draw greater world attention to Hawaii's advantageous position for astronomical observations.

Your Committees amended the bill by changing the purpose section to reflect the correct date of the eclipse and expand on the historic significance of the event. Your Committees further amended the bill by changing the funding level of \$1 for the purpose of continuing discussion, including a provision in the appropriation section for an equal amount of matching funds from the County of Hawaii, and making technical, non-substantive changes to the bill for the purpose of style and clarity.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2191, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2191, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 159 Tourism and Transportation on H.B. No. 863

The purpose of this bill is to appropriate funds to the Department of Transportation for improvements to the Ala Moana Gateway to Waikiki.

Your Committees received testimony in support of this bill from the Department of Transportation, the Waikiki Improvement Association, Outrigger Hotels, Hilton Hotels, and the Myers Corporation.

Your Committees find that this bill would make much needed improvements to the State's busiest tourism district, enhancing the area's aesthetic appeal to visitors and residents, and improving Hawaii's situation in an increasingly competitive market.

Your Committees on Tourism and Transportation are in accord with the intent and purpose of H.B. No. 863 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 160 Tourism; Labor and Public Employment; and Education on H.B. No. 862

The purpose of this bill is to continue the successful visitor industry pilot projects developed by the Tourism Training Council in the Department of Labor and Industrial Relations in Waipahu and Farrington High Schools and expand the program to include the neighbor island counties.

Your Committees received testimony in support of this bill from the Department of Education, Department of Business, Economic Development, and Tourism, the Department of Labor and Industrial Relations Tourism Training Council and the Hawaii Hotel Association.

Your Committees find that this bill would fund the second year of the successful two-year program that began one year ago at Farrington and Waipahu High Schools, and that such visitor industry practicums serve to maintain Hawaii's competitiveness in the international tourism arena and that their integration of academic and vocational learning and use of applied learning makes for greater student achievement.

Your Committees also find that the neighbor islands have an acute need for such programs, and that selection of program sites in neighbor island schools on the basis of suitability of the school, location near a large or growing resort area and commitment of tourism businesses, would ensure selection of sites that would meet the training needs of the community and the labor needs of the resort areas.

Your Committees on Tourism and Labor and Public Employment and Education are in accord with the intent and purpose of H.B. No. 862 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 161 Legislative Management on H.B. No. 851

The purpose of this bill is to transfer the State Capitol (Capitol) tour service function of the Legislature to the Office of Information in the Office of the Governor until the State Capitol renovation project is completed.

Your Committee finds that the Capitol Tours and Information Program Advisory Committee established in Act 299, SLH 1990, submitted its report in February, 1991. The purpose of the report was to propose a formal Capitol tour and information service program which includes the surrounding areas of the Capitol District.

In its report, the advisory committee noted that 49 other states provide tour and visitor services in and around their Capitol buildings. The report thereupon recommended the establishment of a formal Capitol tour and information services program that serves the entire Capitol District and facilitates participation in and access to all branches of State government.

In 1991, the first steps towards the establishment of a permanent tour and visitor services program include the transfer of the Capitol tour function to the Office of Information, and designation of the Mabel Smythe Building as the new site of operations for the current State Capitol tour program.

Testimony in support of the bill was received from the Office of Information in the Office of the Governor, and the Department of Accounting and General Services.

Your Committee has amended the bill to include funding for the Office of Information's operations of the tour program in fiscal year 1991-92 and for communications equipment in the Mabel Smythe Building. Additionally, your Committee has inserted \$1 for the funding required by the Department of Accounting and General Services to renovate the Mabel Smythe Building to allow the Department additional time to supply cost estimates for the funding required during the current fiscal year. Concerns were also raised regarding the status of personnel transferred to the Office of Information, and your Committee is hopeful that these concerns will be addressed prior to the bill's final passage.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 851, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kihano.

SCRep. 162 Higher Education and the Arts on H.B. No. 547

The purpose of this bill is to establish a committee to celebrate the 85th anniversary of the arrival of the Filipinos to Hawaii.

Your Committee received numerous testimony in support of this measure from various Filipino organizations. They assured your Committee they are unified in the purpose of the celebration committee and are ready to proceed with planned programs.

Your Committee has amended this bill by appropriating \$50,000 out of the general revenues of the State of Hawaii in order to carry out the purposes of this act.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 547, HD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 547, HD 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163 Higher Education and the Arts on H.B. No. 839

The purpose of this bill is to appropriate funds so that planning of a State history center or museum may continue.

The State Foundation on Culture and the Arts, along with many other testifiers, commented that currently there is not an existing museum with a collection completely devoted to Hawaii's 20th century history, with particular attention being paid to the diversity of Hawaii's ethnic groups. This bill would provide the continued funding of a study which seeks to discover the feasibility of a State history center or museum, which would house such a collection.

Your Committee also notes that there is a need to develop and integrate long range plans for the many museums in Hawaii that may contribute to the history center. The plan should be expanded to include the roles of the State Museum of Natural and Cultural History (Bishop Museum), other independent museums, and opportunities that will become available with the redevelopment of the Honolulu waterfront.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 839 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 164 Higher Education and the Arts on H.B. No. 1500

The purpose of this bill is to appropriate funds to establish a pilot project where the University of Hawaii - Hilo would provide training, technical assistance, and individual management consulting to rural small tourism businesses on the Big Island.

Your Committee finds that rural small businesses are unable to obtain and attend these training sessions because they are held in places which serve a larger population. This usually means a long commute for people who live in the rural areas.

Your Committee has amended this bill by appropriating \$1 to fund the pilot project.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1500, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165 Higher Education and the Arts on H.B. No. 1553

The purpose of this bill is to designate qualifying standards for individual artist fellowships and the duties of the State Foundation on Culture and the Arts in implementing such standards.

Your Committee finds that the importance of Hawaii's artists to the State needs to be affirmed. This bill would provide standards which would acknowledge the fact that Hawaii's artists provide significant cultural and economic contributions to the State.

Your Committee also notes that any fellowship granted should be for a specific time period. Your Committee has amended this bill by inserting a severability clause.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1553, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 166 Higher Education and the Arts on H.B. No. 2183

The purpose of this bill, as received by your Committee, is to implement the University of Hawaii faculty housing assistance master plan.

Your Committee finds that the lack of affordable housing has become a major problem in Hawaii and its affects have reached the University of Hawaii. The University has recognized that some type of housing assistance is needed in order to recruit and retain highly qualified individuals to live in Hawaii and work at the University. Qualified instructors are needed if the University is to achieve its goal of becoming one of the leading institutions of higher education in the country.

Your Committee has amended this bill based on recommendations from the University of Hawaii. The purpose of the bill as amended is to establish a housing assistance revolving fund which will offer assistance to University faculty members. The insertion of a revolving fund would allow the University to use its resources where feasible to support faculty housing needs. It would also enable the University to develop and maintain programs which use University and University Foundation resources to leverage private or other sources.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2183, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167 Higher Education and the Arts on H.B. No. 2109

The purpose of this bill is to appropriate funds to the University of Hawaii School of Public Health to continue investigating volcanic air pollution.

Your Committee received testimony in support of this measure from the University of Hawaii, the Hawaii County Council, the American Lung Association of Hawaii, and the Hawaii State Department of Health. Funds were not appropriated in this year's budget for a study of the effects of volcanic emission on the quality of air on the Island of Hawaii. However, your Committee recognizes the potential adverse health effects that volcanic emissions may have on the residents on the Island of Hawaii and have passed this bill with an amendment to appropriate \$1.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2109, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168 Higher Education and the Arts and Judiciary on H.B. No. 24

The purpose of this bill is to amend Section 304-14.6, Hawaii Revised Statutes, by expanding the National Guard and Reserve Tuition Waiver Program to include graduate level studies at the University of Hawaii campuses.

Your Committees have received testimony from the State of Hawaii Department of Defense stating that this amendment would enable the National Guard to better recruit, develop, and retain more highly-skilled, motivated, and capable personnel.

Your Committees on Higher Education and the Arts and Judiciary are in accord with the intent and purpose of H.B. No. 24 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 169 Higher Education and the Arts and Judiciary on H.B. No. 3

The purpose of this bill is to amend Section 304-14.6, Hawaii Revised Statutes, by providing a tuition waiver to eligible spouses and dependents of Hawaii National Guard members who are killed or permanently disabled in the line of State or Federal active duty.

Your Committees received testimonies from the University of Hawaii and the State of Hawaii Department of Defense in support of this bill. In the event of a spouse's death or disablement, this bill will provide the surviving or affected dependents an opportunity to reconstitute their lives, improve his or her employability, and provide a better future for themselves and their families.

Your Committees have amended this bill to cover both undergraduate as well as graduate studies. In addition, for the purposes of clarification, the term "active duty" has been added to the list of definitions and is defined to include both federal duty status and state duty status.

Your Committees on Higher Education and the Arts and Judiciary are in accord with the intent and purpose of H.B. No. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 170 Agriculture on H.B. No. 2081

The purpose of this bill is to simplify the laws relating to cooperatives by broadening the scope of the agricultural cooperatives chapter to include the fisheries associations, which are currently governed by a separate but similar chapter. This second chapter is then repealed.

Testimony in support of this bill was received from the United States Department of Agriculture's Agricultural Cooperatives Service.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2081 and recommends that it pass Second Reading and be referred to the Committee on Ocean and Marine Resources.

Signed by all members of the Committee.

SCRep. 171 Housing on H.B. No. 1221

The purpose of this bill is to provide low-interest loans with interest rates not to exceed three percent per annum to those residents of Kalapana who are of Hawaiian ancestry and who were dispossessed or displaced from their homes as a result of the recent volcanic eruptions on the island of Hawaii.

Your Committee received testimony in favor of the bill from the Office of Hawaiian Affairs, the Gibson Foundation, and concerned citizens. This testimony emphasized that no money for infrastructure was needed and that the funds requested were for the purpose of loans and not gifts or grants. The testimony also indicated that the Kalapana project is patterned after the successful Milolii self-help project.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1221 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172 Housing on H.B. No. 1615

The purpose of this bill is to change the status of the ex officio directors of the Housing Finance and Development Corporation (HFDC) Board from voting to nonvoting members.

Your Committee received testimony from the Affordable Housing Alliance in favor of this measure. The Alliance also recommended that the Board be increased to include members who are advocates for housing. However, the HFDC testified against this measure, citing the need to maintain the knowledge and expertise of the Director of Finance, the Director of Business, Economic Development and Tourism, and the Governor's Special Assistance for Housing on the HFDC Board.

Upon further consideration, your Committee has amended the bill to increase the total number of directors on the HFDC Board from nine to twelve. The bill has been further amended to require the Governor, in appointing the public members, to ensure that one member represents a nonprofit group that provides housing, one member represents a social service organization that works with the homeless, and one member represents a nonprofit organization that develops housing.

Other technical, nonsubstantive amendments have been made to conform the bill to accepted bill drafting style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1615, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173 Housing on H.B. No. 1616

The purpose of this Act is to appropriate \$200,000 for the Neighborhood Reinvestment Corporation (NRC) for the purpose of developing plans and establishing a statewide non-profit mutual housing association in Hawaii.

Your Committee heard testimony from the Housing Finance and Development Corporation, the Department of Business, Economic Development and Tourism and the Neighborhood Reinvestment Corporation.

The Housing Finance and Development Corporation supports the concept of the bill and notes that the bill complements a grant-in-aid request under Chapter 42. The HFDC suggests that an appropriation of \$50,000 for each of the fiscal years 1991-1992 and 1992-1993 would be adequate. The HFDC and the Department of Business, Economic Development and Tourism both suggest that the HFDC would be the appropriate grant administering agency.

The Neighborhood Reinvestment Corporation notes that it is a national non-profit organization that provides technical assistance and support to the national Neighborworks network. The NRC provides training support and technical assistance to any associations formed. The NRC is currently involved in two neighborhood housing services projects on Oahu.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1616, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1616, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174 Housing on H.B. No. 991

The purpose of this bill is to amend Section 521-7, Hawaii Revised Statutes, to exclude all public housing complexes or shelters directly under the jurisdiction of the Hawaii Housing Authority from the Residential Landlord-Tenant Code.

Your Committee received testimony in support of this bill from the Hawaii Housing Authority which emphasized that there are already stringent federal regulations and state administrative rules governing the control, ownership, and management of federal and state low rent public housing projects.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 991 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 175 Housing on H.B. No. 1107

The purpose of this bill is to appropriate moneys for the continuation of a pilot security project at Makua Alii, Paoakalani, and Kalakaua Mid-rise elderly housing projects.

Your Committee received testimony in support of this bill from the Hawaii Housing Authority, a member of the Board of the Makua Alii Tenants' Association, and residents of the Makua Alii and Kalakaua Mid-rise projects. This testimony indicated that project residents have experienced significant decreases in the numbers of incidents, break-ins, robberies, and general misconduct since the pilot security project was implemented.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1107 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 176 Housing on H.B. No. 1476

The purpose of this bill is to appropriate moneys for the planning, design, and construction of infrastructure improvements to the Hale Mohalu elderly housing project (Hale Mohalu). The improvements are to include stream reconstruction, the construction of a stream bridge, access road repavement, and sewer and water hookup.

Your Committee received testimony in support of the bill from the Coalition for Specialized Housing, Catholic Charities of the Diocese of Honolulu, the Affordable Housing Alliance, and the Housing Finance and Development Corporation.

The Coalition for Specialized Housing testified that while the Legislature appropriated \$1,306,000 for fiscal year 1989 for Hale Mohalu infrastructure improvements, none of these moneys have yet been expended. However, due to new county building requirements and increased labor costs, \$1,305,000 in additional funding is necessary for the completion of the project.

Your Committee has amended the bill by:

- (1) Deleting Section 1, pertaining to the repeal of Act 316, Session Laws of Hawaii 1989, Section 222, Item F. 34.; and
- (2) Appropriating \$1,305,000 for construction for fiscal year 1991-1992.

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

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1476, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 177 Housing on H.B. No. 1691

The purpose of this bill is to prohibit the conversion to condominium status of any federally-assisted low-income rental housing projects.

Your Committee received testimony in strong support of the bill from the Hawaii Housing Authority (HHA) which emphasized concern over the potential loss of low income housing from Hawaii's rental housing stock through conversion. An estimated 1,731 units in buildings constructed with the use or partial use of federal moneys are at risk of being lost in the near future.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1691 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 178 Intergovernmental Relations and International Affairs and Education on H.B. No. 1473

The purpose of this bill is to continue the China and Japan programs of the Summer Program for the Enhancement of Basic Education (SPEBE) and to expand the program to include Korea and Pacific Island nations.

Your Committees find that in response to a need to promote international awareness among our youth, it is necessary to continue and enhance the existing foreign study programs of SPEBE. For the past four years, high school students participating in SPEBE have been academically, as well as personally, challenged with these programs.

A representative from the Department of Education testified in favor of this bill.

Your Committees have amended this bill to not include the Japan foreign study program in the purpose and appropriation sections. Funds for this program have been referred to your Committee on Finance in the form of another bill.

The appropriation section has been amended to \$1 in order to continue discussion on needed funding amounts for the China, Korea, and Pacific Islands programs which total \$210,000.

Furthermore, your Committees believe that the Department of Education is the appropriate expending agency instead of the Governor's Office of International Relations and has amended the bill accordingly. The Office of International Relations, however, should assist the Department of Education in implementing the funding of this measure.

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

Your Committees on Intergovernmental Relations and International Affairs and Education are in accord with the intent and purpose of H.B. No. 1473, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1473, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Hashimoto and O'Kieffe.

SCRep. 179 Intergovernmental Relations and International Affairs and Education on H.B. No. 1133 (Majority)

The purpose of this bill is to provide funds for the development and broadcast of an informational television series on Hawaii's international neighbors in the Pacific Basin.

Your Committees believe that this television series will foster the promulgation of "international literacy" among Hawaii's residents, especially its young people. While such programming would not preclude adult audiences, your Committees believe that the primary target for such programming should be our young people--whose dreams and aspirations must be supported by their knowledge of the world around them.

It is the intent of your Committees that the television series not be a duplication of any already existing programs.

Your Committees have amended this measure by:

- (1) Revising the appropriation for fiscal year 1991-1992 to \$150,000, and the appropriation for fiscal year 1992-1993 to \$160,000; and
- (2) Inserting language mandating that the television series created by the funds appropriated in this bill shall be considered property of the State and that all rights and royalties generated from the television series shall also belong to the State.

Your Committees on Intergovernmental Relations and International Affairs and Education are in accord with the intent and purpose of H.B. No. 1133, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1133, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Hashimoto and O'Kieffe.
(Representatives Tatibouet and Ward did not concur.)

SCRep. 180 Intergovernmental Relations and International Affairs on H.B. No. 1226

The purpose of this bill is to allow counties to add unpaid civil fines to real property taxes, water service charges, vehicle weight taxes, and driver's license renewal fees to collect from delinquent violators.

Your Committee finds that this measure will give the counties additional flexibility in enforcing collections of civil fines imposed for county ordinance or rule violations.

The Department of Finance of the County of Hawaii, the Department of Finance of the City and County of Honolulu, and a concerned citizen testified in support of this measure.

Upon further consideration, this measure has been amended to allow the civil fine to be imposed after an opportunity for a hearing. In addition, this measure has been further amended to clarify that civil fines added to the real property tax become part of the tax and a lien on the property.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1226, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 181 Intergovernmental Relations and International Affairs on H.B. No. 1882

The purpose of this bill is to recognize the survivors of the 1941 bombing of Pearl Harbor by establishing special license plates for these veterans.

Your Committee finds that the date of December 7, 1941 is one of the most historical dates in the history of the State of Hawaii and the nation as a whole. In addition, it should be noted that forty of the nation's fifty states have special license plates for survivors of Pearl Harbor.

Testimony in support of this measure was submitted by the Chamber of Commerce Armed Services Committee; the Director of Veterans Services of the Department of Defense; the Department of Finance of the City and County of Honolulu; and several private citizens.

Your Committee has amended this measure by:

- (1) Changing the width requirement of the license plate letters to one-eighth of an inch;
- (2) Allowing survivors of Pearl Harbor who lease motor vehicles to acquire the special license plates;

- (3) Limiting qualified applicants to one set of special Pearl Harbor survivor license plates;
- (4) Authorizing the Director of Finance in each county to prescribe a reasonable fee for the cost of the license plate by adopting rules under chapter 91; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1882, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 182 Intergovernmental Relations and International Affairs on H.B. No. 1519

The purpose of this bill is to provide the respective counties with stable and continuing sources of revenue.

More specifically, this bill proposes to:

- (1) Reimburse the counties for the amounts of general excise taxes passed on to them by licensees;
- (2) Share a portion of the public service tax revenues with the counties; and
- (3) Transfer traffic, parking, and animal fines and forfeitures to the counties.

Your Committee received testimony in support of this measure from the Kauai County Council, the Department of Finance of the County of Hawaii, the Department of Transportation Services and the Department of the Budget of the City and County of Honolulu, GTE Hawaiian Telephone Company Incorporated, Hawaiian Electric Industries, Inc., and the Oahu Conference of Neighborhood Boards. The Department of Budget and Finance, the Department of Taxation, and the Tax Foundation of Hawaii also presented testimony either opposing the bill or presenting concerns over the provisions of the bill.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1519 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 183 Intergovernmental Relations and International Affairs on H.B. No. 858

The purpose of this bill is to encourage recycling by establishing design requirements that incorporate recycling opportunities and systems for new multi-story dwellings and commercial buildings.

Based on suggestions made by the Recycling Association of Hawaii, this measure has been amended to clarify the design requirements for recycling opportunities and systems for multi-story dwelling and commercial buildings, as well as remodeled buildings and hotels.

To accommodate the counties in the administration of this measure and the passage of necessary county ordinances prior to this measure's provisions, your Committee has amended this bill so that no building permit shall be issued by a county after December 31, 1991, instead of July 1, 1991.

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

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 858, HD 1, and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee.

SCRep. 184 Intergovernmental Relations and International Affairs on H.B. No. 181

The purpose of this bill is to recognize those veterans who were wounded in combat and who are recipients of the prestigious Purple Heart award with the establishment of special license plates.

Your Committee finds that 27 of the 50 states have established special Purple Heart license plates in recognition of service "above and beyond the line of duty".

Testimony in support of this measure was submitted by members of the Chamber of Commerce Armed Services Committee; the President of Club 100-100th Infantry Battalion Veterans; the Commander of the Military Order of the Purple Heart of the U.S.A, Inc.; the Director of the Office of Veterans Services of the Department of Defense; the Department of Finance of the City and County of Honolulu; and a private citizen.

Your Committee has amended this measure by:

- (1) Deleting the section which would waive the special license plate fee;
- (2) Setting forth a limit of one set of special plates per applicant;
- (3) Specifying that the phrase "Purple Heart" in letters not less than 3/4 inch in height and not less than 3/8 inch in width shall be imprinted on these special license plates; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 181, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 185 Intergovernmental Relations and International Affairs on H.B. No. 2

The purpose of this bill is to recognize former prisoners of war by establishing special license plates for their order and use.

Your Committee finds that 47 of the 50 states have passed legislation establishing these special license plates for former Prisoners of War (POWs). In addition it should be noted that the State of Hawaii has no more than 250 residents who would be eligible to apply for these special POW license plates.

Testimony in support of this measure was submitted by the Chamber of Commerce Armed Services Committee; the Commander of the Hawaii Chapter of American Ex-POW's; the Director of the Office of Veterans Services of the Department of Defense; the President of the American Freedom Coalition; the Department of Finance of the City and County of Honolulu; and several private citizens.

Your Committee has amended this measure by:

- (1) Changing the width requirement of the license plate letters to one-eighth of an inch;
- (2) Providing for the issuance of these special POW license plates for vehicles leased to a former POW;
- (3) Limiting the issuance of the special POW license plates to one set per applicant;
- (4) Allowing county finance directors to levy charges to offset the administrative and production and distribution costs of these special POW license plates;
- (5) Deleting the spousal transfer provision in the event of the death of the POW survivor;
- (6) Requiring all vehicles registered under this section to be subject to all other provisions of chapter 249, Hawaii Revised Statutes; and
- (7) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 186 Intergovernmental Relations and International Affairs on H.B. No. 2045

The purpose of this bill is to appropriate funds to increase access to international, national, and local information resources to promote international and information literacy among citizens throughout the State of Hawaii through technological and other means.

Testimony in support of this measure included the Office of International Relations; Department of Budget and Finance; High Technology Development Corporation; the University of Hawaii; Department of Education; Hawaii Association of School Librarians and various school librarians; Pacific and Asian Affairs Council; the office of U.S. Senator Daniel Inouye; County of Hawaii; County of Kauai; City and County of Honolulu; and Mr. Richard Barber.

In 1988, the State of Hawaii embarked upon a bold mission to establish itself as an "information hub of the Pacific," through the establishment of Hawaii INC (Act 1, First Special Session of 1988) and a number of budget initiatives within State government and the University of Hawaii. Throughout the past three years, such government services as the Legislature's "ACCESS" information services, "Hawaii FYI" and "ASK-2000" have readily demonstrated the increasing demand for accurate, up-to-date electronic information.

At this point, there is little argument that knowledge-based or information industries development provides enormous potential for Hawaii's economic future. However, in order to reach the State's goals of making Hawaii a center for

international commerce and an information capital of the world, international and informational literacy must be achieved and incorporated in our local culture in the next two decades.

The present generation of Hawaii's young people, who comprise Hawaii's leadership in the 21st Century, need an opportunity to live as international citizens who interact with other citizens around the world and in the Pacific region. During the 1990's, they must have proficiency in the future currencies of foreign languages and information technology to enable them to establish Hawaii's future as a center for international commerce, education, health and recreation, and conflict resolution.

Your Committee is mindful of the fact that there are many excellent State and private sector programs (i.e., SPEBE, CTAPS, UH's Study Abroad program, Japanese-American Institute for Management Sciences, to name a few) which can contribute to the development of international literacy among Hawaii's youth. These programs should be encouraged and continued. At the same time, your Committee believes that we must accelerate the use of advanced telecommunications and information technology to develop in our young people the kind of ease and familiarity that they now have with "Nintendo," "Gameboy," "Tetris" and other popular games, in their interactions with other young people from many distant cultures.

Your Committee has amended this bill to include funding for a number of telecommunications projects which can have a major impact on the way in which Hawaii's young people view themselves in the world: electronic bulletin boards with foreign pen pals, expanded use of hypermedia software for foreign languages study, increased use of electronic mail communications between students, their parents and their schools throughout the State, additional access to local and national information sources through the State's information network, a youth conference to demonstrate the potential of telecommunications for bridging the barriers between nations, and continued development of the library networking project.

Your Committee has further amended H.B. No. 2045 to include the City and County of Honolulu, which was inadvertently omitted from the listing of counties in Section 4 of the bill.

Through these steps, your Committee believes that citizens of Hawaii will become sufficiently "information-literate" to realize our international goals.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2045, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187 Water, Land Use and Hawaiian Affairs on H.B. No. 57

The purpose of this bill is to protect the public interest by requiring all State agencies to obtain a second appraisal before the purchase, transfer, or acquisition of any real property if the first appraisal exceeds \$20 million.

An appraiser testified that the additional appraisals will save the State many times the cost of appraisals by obtaining higher rents and prices when the State is the grantor and lower rents and prices when the State is the grantee.

On the other hand, both the Department of Land and Natural Resources (DLNR) and the Department of Accounting and General Services (DAGS) opposed this bill, because it would increase the time and cost to complete State projects. DLNR was concerned that:

- (1) Additional appraisals will not ensure better appraisals since the appraisal process is not an exact science;
- (2) Private landowners typically select only one appraiser to do valuation for their property; and
- (3) The bill fails to exempt transactions between government entities.

DAGS was concerned that the requirement that it must obtain appraisals prior to entering into leases for non-State owned buildings will be time consuming and will not be cost effective.

Upon further consideration, your Committee concurs with DAGS's recommendation and has amended the proposed subsection (e) in Section 5 of this bill by inserting the phrase "except for property acquired under subsection (b), all..." This amendment would exempt DAGS from obtaining appraisals prior to entering into leases for non-State owned buildings which are used by State departments and agencies for office space.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 57, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 57, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 188 Water, Land Use and Hawaiian Affairs on H.B. No. 51

The purpose of this bill is to amend sections of Chapter 206E of the Hawaii Revised Statutes, to:

- (1) Delete the Hawaii Community Development Authority's (HCDA) authorization to accept affordable housing constructed outside of the HCDA's jurisdiction to satisfy a proposed development project's affordable housing requirement; and
- (2) Amend the development guidance policies for the Kakaako community development district to make mandatory rather than optional that residential development in that district provide a mixture of densities, building types, and configurations, and that low- or moderate-income housing be a condition of redevelopment.

A representative from the Downtown Neighborhood Board No. 13 presented testimony in favor of this measure. However, your Committee also received testimony from the Hawaii Community Development Authority and the Land Use Research Foundation opposing this measure.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 51 and recommends that it pass Second Reading and be referred to the Committee on Planning and Economic Development.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 189 Water, Land Use and Hawaiian Affairs on H.B. No. 49

The purpose of this bill is to encourage private landowners to open their lands for public access by reducing their liability concerns. This bill deletes provisions that a landowners' liability will not be limited due to the owner's wilful or malicious failure to guard or warn against a dangerous condition. In its place, this bill provides that a landowners' liability will not be limited when an owner intentionally causes injury by action or inaction. This bill also extends the landowners' liability to include land owned by any government entity. This would facilitate the use of trails whose only access is across lands owned by government.

Your Committee received testimony in general support of this bill from the Department of Land and Natural Resources, the Environmental Center of the University of Hawaii-Manoa, Life of the Land, and the County of Hawaii. The Hawaii Academy of Plaintiffs' Attorneys opposed the bill.

Upon further consideration, your Committee has amended this bill by inserting a new Section 1 that authorizes the State to enter into agreements with landowners to defend and indemnify the owner against claims, injuries, and losses incurred by a landowner as a result of the public's use of the landowner's land. The new provision also states that the existence of these agreements do not create a separate cause of action against the State for an injured party. This language was obtained by incorporating the text of H.B. No. 969 (Relating to the Statewide Trail and Access System).

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 49, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 49, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 190 Water, Land Use and Hawaiian Affairs on H.B. No. 219

The purpose of this bill is to establish a State Office on Beaches within the Department of Land and Natural Resources to advocate protection, improvement, and creation of beaches; manage beach resources; and initiate public beach widening and regional beach stabilization projects.

Your Committee amended the bill by requiring the Department to submit an interim report to the Legislature by January 10, 1992, and a final report recommending permanent staffing, priorities, and a budget for the Office on Beaches, along with any proposed legislation necessary for fairly sharing the costs of beach stabilization projects with private shoreline property owners, by January 10, 1993. Your Committee also made a few technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 219, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 191 Water, Land Use and Hawaiian Affairs on H.B. No. 796

The purpose of this bill is to exempt Hawaiian Home Land lessees from real property taxes assessed upon the land. Under this bill, lessees would only be responsible for paying tax on improvements placed on the land.

Your Committee finds that many lessees of Hawaiian Home Lands have received unimproved lots with no infrastructure, and are therefore unable to reside on those lots. Requiring lessees to pay real property taxes under these circumstances is grossly unfair. This bill will rectify this situation by requiring real property taxes to be paid when the lessees have a more reasonable use of their lots.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 796 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 192 Water, Land Use and Hawaiian Affairs on H.B. No. 701

This bill is the budget for the Office of Hawaiian Affairs (OHA).

Your Committee had a budget briefing with OHA and decided to pass the bill intact with one proviso.

This Committee has grappled with the issue of sovereignty. The Committee decided to defer action on bills, such as H.B. 2220 and H.B. 2221 and instead provide funds for a discussion of sovereignty in the OHA budget.

Under OHA 107 Land and Natural Resources, the funds recommended for Sovereignty Models Development and the Sovereignty Models Information Campaign are hereby deleted. The Committee recommends that in order to further the discussion on sovereignty, OHA shall form a Sovereignty Advisory Council comprised of but not limited to representatives from the following groups:

1. Trustees of the Office of Hawaiian Affairs
2. Department of Hawaiian Home Lands
3. Ka Pakaukau
4. Ka Lahui Hawaii
5. 'Ohana O Hawai'i
6. Pro-Hawaiian-Sovereignty Working Group
7. Na Kane O Ka Malo
8. Institute for the Advancement of Hawaiian Affairs
9. Hawaiian Association of Civic Clubs Political Action Committee
10. Na Oihi
11. Council of Hawaiian Organizations

The Council shall develop a plan to discuss and to study the sovereignty issue. \$50,000 is provided for the first year of the biennium. \$150,000 is provided in the second year, but it must be matched by an additional sum of \$150,000 in federal funds. The Committee has taken this position because it will be impossible to discuss the issue of sovereignty without federal participation.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 701, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 193 Water, Land Use and Hawaiian Affairs on H.B. No. 222

The purpose of this bill is to amend the State Water Code by (1) relocating the Commission on Water Resource Management (CWRM) from the Department of Land and Natural Resources to the Office of the Governor; (2) removing the chairperson of the Board of Land and Natural Resources as a member and chairperson of the Commission; and (3) replacing the present deputy to the chairperson of the Commission with an executive director.

Your Committee received testimony from the Department of Land and Natural Resources (DLNR) and the People's Water Conference (PWC).

DLNR thought that the administrative change being called for in the bill could receive the proper evaluation it deserves in the five-year review of the State Water Code. However, PWC thought that the problems within the Commission needed to be addressed immediately due to the large number of issues the Commission and DLNR face in the next several years.

Your Committee was in accord with PWC that in order to best accomplish its mandate, the CWRM needed to be taken out of the Governor's Office and placed under DLNR. Furthermore, because the Chairperson of DLNR is already quite overextended, it was felt that the Commission needed its own Executive Director, to be elected by the Commission. This would give the Commission the autonomy it needs to function properly.

Accordingly, your Committee has amended the bill by 1) in section 1 deleting the amendment to section 174C-3 repealing the definitions of "board" and "department"; 2) amending section 1, subsection 2 (d) to return the salary provision to section 26-53; 3) deleting section 1, subsection 3 which would have amended subsections (a) and (b) of section 174C-7 to place the CWRM within the Office of the Governor; 4) deleting section 2 amending sections 174C-43

and 174C-59 to substitute the term "commission" wherever the term "department" appears; and 5) amending section 4 so that the bill takes effect upon approval.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 222, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 194 Water, Land Use and Hawaiian Affairs on H.B. No. 97

The purpose of this bill is to appropriate funds to be expended by the Department of Land and Natural Resources (DLNR), to:

- (1) Acquire seventy-eight trail rights-of-way identified in the report entitled: Study Report on Acquisition of Access to Forest Reserves Statewide (DLNR, 1976); and
- (2) Establish a statewide mountain recreation program.

Your Committee finds that improving access to existing trails and establishing a program which would expand opportunities for hiking and camping will foster greater nature appreciation and environmental education.

Testimony supporting the intent of this measure was submitted by the Department of Land and Natural Resources and the University of Hawaii's Environmental Center.

Your Committee has amended this bill to insert the sum of \$3,400,000 as the amount to be appropriated for fiscal year 1991-1992 for the acquisition of the trail rights-of-way, and the sum of \$150,000 as the amount to be appropriated for fiscal year 1991-1992 for the establishment of the mountain recreation program.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 97, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 97, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 195 Water, Land Use and Hawaiian Affairs on H.B. No. 2100

The purpose of this bill is to amend Section 669-2 of the Hawaii Revised Statutes to provide that the Office of Hawaiian Affairs (OHA) shall be joined as a defendant in any quiet title action involving kuleana lands where an owner of the inheritable interest dies intestate or partially intestate and the partial intestacy includes the kuleana land, and there is or was no taker under Article II of the Hawaii Uniform Probate Code.

The history of kuleana lands dictated that when a landowner died without naming a successor to the property, ownership of the kuleana lands passed to the adjoining landowner. In 1987, the Legislature enacted the Kuleana Escheat Act, which provided that in such cases, the kuleana lands would pass to the Office of Hawaiian Affairs.

Your Committee finds there is a need for a mechanism which formally gives OHA notice of quiet title actions involving unclaimed kuleana lands. Requiring that OHA be joined as a defendant in these actions, by service upon and representation by the Department of the Attorney General, shall serve as this mechanism.

Testimony supporting the intent of this measure was submitted by the Office of Hawaiian Affairs and the Native Hawaiian Legal Corporation.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2100 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 196 Water, Land Use and Hawaiian Affairs on H.B. No. 1454

The purpose of this bill is to amend Hawaii's industrial park law by authorizing the Board of Land and Natural Resources to expend funds out of the special land development fund for the purpose of paying developers to improve industrial parks. This bill also authorizes the Department to develop industrial parks by entering into development agreements and to issue master leases to corporations whose members are eligible permittees of an industrial park for the purpose of issuing subleases. In addition, this bill attempts to clarify the permissible activities of lessees within industrial parks.

While it agrees with the overall intent and purpose of this measure, your Committee has amended this bill to reflect the changes suggested by the Department of Land and Natural Resources during testimony presented on this bill.

Your Committee has eliminated the amendment proposed to section 171-19, Hawaii Revised Statutes, with respect to the payment of funds to developers who have contracted with the board to improve industrial parks. According to the Department of Land and Natural Resources, existing law already permits the Board to exercise this authority.

Your Committee has also amended the definition of "eligible lessee" to eliminate the standard that lessees derive ninety per cent of the lessee's income from an industrial use. In addition to being arbitrary, the proportion of income earned by the lessees of an industrial park as a result of an industrial use may be impossible to determine on an individual basis.

Similarly, your Committee has eliminated the provision of law that requires lessees to derive a substantial portion of the lessee's total gross income for an activity within the industrial park. Your Committee finds that the requirement is unclear and demonstrates no basis to be included as a requirement of the industrial park law.

Your Committee has also amended the bill with respect to the disposition of public lands within an industrial park to ensure that if a subdivision is developed according to county standards all activities in the industrial park shall conform to applicable county zoning standards for the area.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1454, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 197 Water, Land Use and Hawaiian Affairs on H.B. No. 1231

The purpose of this bill is to appropriate funds to successfully achieve the goal of restoring the Waikiki War Memorial Natatorium. Previous appropriated amounts have been used for planning and currently, to design and produce construction documents.

The Natatorium was constructed in 1927 as a memorial to Hawaii residents who perished in World War I. Your Committee wishes to emphasize that a memorial has spiritual significance and does not always have a practical use. It is maintained in remembrance of sacrifice, valor, and history. For example, the USS Arizona serves as a vivid reminder and memorial to many servicemen who died in the attack that catapulted the United States into World War II. The Natatorium should be restored and maintained for many of the same reasons.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1231 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 198 Water, Land Use and Hawaiian Affairs on H.B. No. 1061

The purpose of this bill as received is to protect and enhance our State park system by creating parks of distinction, 'aina hoomalu (places to seek peace), and to create the 'aina hoomalu special fund.

Your Committee finds that the State parks have suffered increasing crowding, congestion, and decay, and that they have not received the funding and management necessary to create and maintain a State park system having the quality that Hawaii's residents and visitors expect and deserve.

Your Committee has amended the bill by removing references to the special fund and by establishing the State Parks Advisory Council. The purpose of the Council is to identify a priority list of sites for inclusion in the State parks system, devise budget recommendations for upkeep, improvements, and programs for each park, and report annually to the Legislature.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1061, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 199 Water, Land Use and Hawaiian Affairs on H.B. No. 976

The purpose of this administration bill is to authorize the Board of Land and Natural Resources to set, charge and collect additional rentals for the violation of Chapter 171, retroactive to the date of occurrence of the violation.

Your Committee received testimony from the Department of Land and Natural Resources. The Board of Land and Natural Resources is granted specific powers and functions as set forth under Hawaii Revised Statutes, Section 171-6, including the authority to set, charge, and collect reasonable fines for violation of Chapter 171 or any rule adopted thereunder. However, it does not specifically provide for the Board to retroactively charge and collect any additional rental payment which may be warranted as a result of a violation of the terms and conditions of a lease, license, easement or revocable permit. This amendment is to enable the Department to charge and collect such additional rental payments retroactively from the date the violation occurs.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 976 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 200 Water, Land Use and Hawaiian Affairs on H.B. No. 106

The purpose of this bill is to establish the Mount Olomana State Park on the island of Oahu, which is to be administered by the Department of Land and Natural Resources.

Your Committee finds that this bill will guarantee for all time the unimpaired preservation of the visual and aesthetic aspects of Mount Olomana, including, but not limited to, those lands within the conservation district surrounding Mount Olomana. The establishment of a State park will ensure that the lands surrounding Mount Olomana will be used for recreational purposes, and will increase public access to and enjoyment of Mount Olomana.

Your Committee further finds that the return of State lands within and adjacent to Mount Olomana State Park to the Department of Land and Natural Resources for inclusion within the park, will preserve the visual and aesthetic aspects of Mount Olomana, ensure that State lands surrounding Mount Olomana will be used for recreational purposes, and increase public access to and enjoyment of Mount Olomana.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 106 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 201 Water, Land Use and Hawaiian Affairs on H.B. No. 815

The purpose of this bill, as received by your Committee, is to add a new part to Chapter 235 of the Hawaii Revised Statutes to impose an income tax surcharge on the gain from the sale or exchange of any interest in real property made within three years after the acquisition date of the interest in such property.

Testimony supporting the intent of this measure was submitted by the Office of State Planning and the Department of Taxation. The testimony asserted that the bill was intended to curb speculation.

However, your Committee also received testimony from the Tax Foundation of Hawaii, the Hawaii Association of Realtors, the Land Use Research Foundation of Hawaii, AMFAC/JMB Hawaii, Inc., and the Building Industry Association of Hawaii opposing this measure. The testimony asserted that the bill would curb development, hold properties off the market, increase prices for first time homebuyers, be circumvented by well heeled investors, and impose extra costs on corporations owning Hawaii land.

Your Committee has amended this bill to impose the income tax surcharge on gain from the sale or exchange of interests in real property made within two years, rather than three years, after the acquisition date of the interest in the real property. Your Committee has further amended this bill to exempt from the surcharge, sales or exchanges giving rise to a gain of less than five percent, and sales or exchanges made by public corporations. Section 3 of the bill was amended to reflect Ramseyering.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 815, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 202 Water, Land Use and Hawaiian Affairs on H.B. No. 895

The purpose of this bill is to create a mechanism which allows Hawaiian Home Lands beneficiaries the opportunity to resolve individual controversies relating to the Hawaiian Home Lands trust, which arose between August 21, 1959, and June 30, 1988.

The resolution process outlined in this bill addresses concerns that the traditional court process is a slow, costly, time-consuming investment on the part of the individual beneficiary. From the small number of suits versus the large number of controversies, it appears that the judicial process has not been accessible to native Hawaiians. This bill would establish a process that has more flexibility to provide relief to the individual claimants than can be provided by the judicial process. The claimant is also provided the option of choosing alternative dispute resolution processes, including the traditional ho'oponopono.

The bill establishes a board of individual claims resolution composed of five members. The board and its staff would be placed in the Department of Commerce and Consumer Affairs for administrative purposes as a neutral agency. The Department of Commerce and Consumer Affairs could also provide technical assistance on dispute resolution. The board would hire staff and contract for such services as assistance to claimants, including the hiring of counsel for claimants when appropriate, training in ho'oponopono and mediation, and advisory arbitration.

The board would adopt rules governing the resolution of claims which would encourage beneficiaries to bring forward claims, and assist them in making the strongest case possible. If an agreement on settlement of the claim is reached through non-binding dispute resolution, the board may order that immediate corrective action be taken. If no agreement is reached, the claimant may request that the claim be heard and decided by the board.

Your Committee, after hearing testimony from native Hawaiian organizations and State agencies, proposes the following amendments:

- (1) To address the concern about the separation of powers, by deleting the words "with the concurrence of the chief justice of the supreme court" on page 2, line 24;
- (2) To provide more flexibility in the selection of the chairperson, by changing "state court judge" to "former state court judge, where possible, or attorney licensed to practice law in the State" on page 2, line 25;
- (3) To provide that native Hawaiian organizations will have a voice in the selection of all other board members, by changing "three" to "all" on page 3, line 1;
- (4) To provide for a staggered term of office for board members, by changing "five years" to "four years, with two board members to be initially appointed for two-year terms" on page 3, line 7;
- (5) To provide for legal counsel for claimants, by adding "(b) The board, under appropriate circumstances, may retain and provide for the claimant, legal counsel to assist the claimant in the preparation and presentation of a claim for resolution under section -22." on page 3, line 20;
- (6) For the purpose of avoiding a conflict of interest on the part of the state attorney general, by changing "The attorney general shall serve as the legal advisor to the board." to "The board, in accordance with section 103-3, shall obtain its own legal counsel to provide legal services necessary to implement the purposes of this chapter." on page 4, line 25 to page 5, line 1;
- (7) In order to allow for an appeal process, by deleting "Orders and decisions of the board shall be final and not subject to judicial review." on page 6, lines 23 to 24;
- (8) For the purpose of extending the time in which to file claims, by changing "two years" to "five years" on page 7, line 25;
- (9) For the purpose of extending the time in which to file claims, by changing "two years" to "five years" on page 8, line 2;
- (10) In order to allow for an appeal process, by changing "Orders and decisions of the board shall be final and not subject to judicial review." to "(b) Orders and decisions of the board may be appealed through the procedures in section 91-14." on page 8, lines 8 to 9;
- (11) For the purpose of extending the life of the board by changing "1996" to "1999" on page 9, line 4; and
- (12) For the purpose of enabling the board to obtain its own counsel, by amending section 103-3, Hawaii Revised Statutes, to provide for the employment of attorneys by the board of individual claims resolution.

Your Committee has also renumbered most of the sections in the new chapter to conform to the standard numbering conventions used in the Hawaii Revised Statutes, and has also made other technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 895, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 203 Water, Land Use and Hawaiian Affairs on H.B. No. 48

The purpose of this bill is to ensure public access to wilderness and shoreline recreation opportunities by expanding the public access provisions in Section 46-6.5, Hawaii Revised Statutes (HRS).

Under current law, each county must adopt ordinances that require a subdivider or developer, as a condition precedent to final approval of a subdivision, to dedicate land for pedestrian public access from a public highway/street to coastal shoreline or mountain areas. One problem is that when extensive ridgeline developments do not dedicate their roads to the county, it may be necessary to require private dedication, improvement, and maintenance of an easement for vehicular access and parking in order to facilitate use of a pedestrian easement to trails.

This bill strengthens Section 46-6.5, HRS, by:

- (1) Requiring counties to adopt ordinances which shall require a subdivider or developer, as a condition precedent to final approval of a development, in cases where public access is not adequately provided, to provide public access by dedication of right-of-way or easement for pedestrian travel;
- (2) Authorizing the counties to require reasonable dedication of a right-of-way or easement for vehicular access and parking to facilitate public use of a pedestrian right-of-way or easement;
- (3) Authorizing the counties to require reasonable improvement of a right-of-way or easement before it is dedicated and reasonable private maintenance of a public access easement; and
- (4) Requiring the county to assume all costs of maintaining a right-of-way that is dedicated and accepted by the county.

The Office of State Planning, the Department of Land and Natural Resources, the City and County's Department of Parks and Recreation, and the Sierra Club testified in support of this bill.

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

- (1) Incorporating the City's recommendation to amend subsection (c) on page 2 and require the State to assume responsibility for maintaining right-of-ways that are dedicated and accepted by the State;
- (2) Inserting a new section in Chapter 171, HRS, to reflect the same requirement for additional State responsibility to maintain right-of-ways; and
- (3) Correcting technical drafting errors.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 48, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 48, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 204 Transportation on H.B. No. 492

The purpose of this bill is to prohibit the use of headsets, earphones, and earplugs while operating a motor vehicle.

Your Committee received testimony from the Department of Transportation, Honolulu Police Department, and a concerned citizen.

Your Committee feels that while there is an inherent danger in the operation of a motor vehicle with a headset, earphone or earplug, there is an equally pressing concern regarding the need to enhance the enforcement of high occupancy vehicle lanes. Your Committee finds that currently, the police department faces a dilemma since violators of the minimum occupancy requirements for high occupancy vehicle lanes must be pulled over to the side of the road to be issued a citation. Pulling violators to the shoulder of the road from the high occupancy vehicle lane can be hazardous, and often results in traffic congestion. Your Committee finds that a reasonable alternative for citing high occupancy vehicle lane violators is needed.

Your Committee has substantially amended this bill by:

- (1) Deleting provisions regulating the use of headphones, earphones, and earplugs;
- (2) Inserting language to authorize the citation of high occupancy vehicle lane violators by mail;
- (3) Mandate as a prerequisite for citing high occupancy vehicle lane violators by mail the acquisition of video tape evidence;
- (4) Requiring that high occupancy vehicle lane citations be sent by certified or registered mail;
- (5) Extending the amount of time violators have to respond to the citation from seven days to fourteen days commencing when the citation is received; and
- (6) Establishing a \$100 fine per offense.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 492, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 205 Transportation on H.B. No. 234

The purpose of this bill is to create a bicycle coordinator position to assist the Director of Transportation in the planning and development of bikeways, and in the coordination of bicycle transportation with other forms of transportation.

Your Committee finds that bicycle transportation is a viable form of transportation that should be encouraged throughout the State. Your Committee further finds that a bicycle coordinator will greatly assist the Director of Transportation in developing ways of enhancing bicycling in Hawaii.

Your Committee received testimony from the Department of Transportation, Island Bicycle Adventures Inc., The Cycle and Sport Shop, U.S. Cycling Federation, Hawaii Bicycling League, and several concerned citizens.

Your Committee has amended this bill by inserting an appropriation of \$50,000 to fund the bicycle program coordinator position in the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 234, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 206 Transportation on H.B. No. 980

The purpose of this bill is to permit the use of studded snow tires on the Mauna Kea access road.

Your Committee finds that this bill is necessary because of the hazardous road conditions that exist on the Mauna Kea access road. Your Committee finds that isolated ice patches in the early morning and late evening hours produce a dangerous driving condition that can be lessened by the use of studded snow tires. Your Committee also finds that the traffic that utilizes the Mauna Kea access road would not cause appreciable damage to the paved road.

Your Committee received testimony from the University of Hawaii at Manoa, Canada-France-Hawaii Telescope Corporation, and the Joint Astronomy Centre.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 980 and recommends that it pass Second Reading and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

SCRep. 207 Transportation on H.B. No. 10

The purpose of this bill is to regulate the transportation of animals in the open bed or load-carrying area of a pick-up truck on any public street or highway.

Your Committee finds that animals are susceptible to serious injuries when transported in the bed of a pick-up truck. Your Committee further finds that an animal that has jumped or fallen from the bed or load-carrying area of a pick-up truck while travelling on a public highway can create a traffic hazard.

Your Committee received testimony from the Honolulu Police Department and the Hawaiian Humane Society.

Your Committee has amended this bill by providing a definition for "pick-up truck." Your Committee has further amended this bill by including requirements for a well ventilated environment when the animal is transported in a pick-up truck.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 10, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 10, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 208 Transportation on H.B. No. 11

The purpose of this bill is to amend the definition of a total loss insurance salvage rebuilt vehicle.

Your Committee finds that insurance companies have been submitting total loss insurance salvage affidavits for vehicles sustaining damage to only the engine or transmission if the cost of repair to the automobile exceeds the value of the vehicle. However, damage to the engine and transmission can be repaired without affecting the structural integrity of the vehicle. Your Committee finds that labelling such vehicle as an "Insurance Salvage Rebuilt Vehicle" is unnecessary.

Your Committee received testimony from the Department of Transportation, City and County of Honolulu, and the Automotive Body and Painting Association.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 11 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 209 Transportation on H.B. No. 19

The purpose of this bill is to allow the issuance of driver's licenses valid for four years to persons eighteen years of age or older. This bill also establishes that persons fifteen to seventeen years of age who have satisfied the requirements of sections 286-108 and 286-109 may be granted a license that shall be valid for two years.

Your Committee finds that motor vehicle drivers between the ages of fifteen and seventeen are continuing to develop their newly learned driving skills. Your Committee also finds that requiring license renewals every two years during these formulative years may improve one's driving knowledge and ability. However, statistics indicate that the two year driver's license renewals currently required of persons eighteen to twenty-four years of age and persons sixty-five years of age or older does not change driving habits and thereby lower accident rates.

Your Committee received testimony from the Department of Transportation, City and County of Honolulu, and Honolulu Police Department.

Your Committee has amended this bill by requiring two year licenses for licensees that are seventy-five years and older.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 19, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 19, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 210 Transportation on H.B. No. 27

The purpose of this bill is to authorize the Director of Transportation to adopt rules relating to the licensing and regulation of commercial and noncommercial activities on airport premises. This bill also includes penalty provisions for violations.

Your Committee finds that this bill clarifies that violations of rules relating to activities within the airports will be penalized.

Your Committee received testimony from the Department of Transportation and two concerned citizens.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 27 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 211 Transportation on H.B. No. 30

The purpose of this bill is to amend section 291-34, Hawaii Revised Statutes, to increase the legal vehicle height from thirteen and one-half feet to fourteen feet, including load.

Your Committee received testimony on this bill from the Department of Transportation, the Hawaii Transportation Association, and the Hawaii Food Industry Association.

Your Committee finds that a large number of trucks hauling containers are in excess of the maximum height limitation. In many instances, the vehicle including load, exceeds the height limit by mere inches.

Your Committee has made non-substantive amendments for the sake of style and clarity.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 30, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 30, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 212 Transportation on H.B. No. 56

The purpose of this bill is to increase penalties for failing to properly register the transfer of ownership of motor vehicles.

Your Committee finds that the seller of a vehicle may be held liable for citations issued to the new owner after the sale and physical transfer of the motor vehicle. Your Committee also finds that a timely and immediate transfer of ownership may help to remedy the present situation. Your Committee further finds that increasing the penalty will encourage the transfer of ownership.

Your Committee received testimony from the City and County of Honolulu.

Your Committee has amended this bill by changing the effective date of this act to July 1, 1991.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 56, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 56, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 213 Transportation on H.B. No. 86

The purpose of this bill is to establish prohibitions against operating a vessel while under the influence of intoxicating liquor. This bill also defines the legal level of intoxication and provides penalties for offenses.

Your Committee finds that boating can be hazardous when coupled with the drinking of intoxicating liquor. Your Committee also recognizes that boating under the influence of alcohol is as potentially harmful as driving an automobile under the influence, a similarity which necessitates the enactment of similar legislation.

Your Committee received testimony in support of this measure from the Department of Transportation and the Department of Health.

Your Committee has amended this bill by:

1. Creating a new section entitled "Alcohol and Boating Safety";
2. Adding provisions to establish an implied consent for testing;
3. Establishing penalties for operating a vessel after operating privileges have been suspended;
4. Adding provisions to suspend the operating privileges upon refusal to submit to testing; and
5. Establishing a hearing and appeals procedure for the suspension of operating privileges.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 86, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 214 Ocean and Marine Resources; Transportation; and Judiciary on H.B. No. 917

The purpose of this bill is to establish the Department of Land and Natural Resources (DLNR) as the agency responsible for overseeing and administering the boating and coastal areas programs by transferring to DLNR the jurisdiction, functions, powers, and duties of the Department of Transportation (DOT) as it relates to these two programs.

Your Committees find that ocean-based recreation and coastal activities are currently controlled, in part, by both DLNR and DOT. Your Committees further find that the principal function of DOT is to provide for the transportation of people and goods into, out of, and within the State. For this reason, DOT's boating program, which provides boating and other ocean-based recreation programs, as well as its coastal areas program, which seeks to preserve and enhance the natural beauty and unique characteristics of coastal areas, do not fit into DOT's primary function.

Your Committees further find that the regulation and development of ocean-based recreation and coastal area uses would be better accomplished under the authority of DLNR. Such a transfer would enable DLNR to address the impact an activity may have on the marine environment when it regulates small boat harbors, boating, and ocean-based recreation activities.

Under this bill, the transfer would be completed on July 1, 1992. During the interim, a management team would develop the appropriate transitional plans, re-work position descriptions, review personnel classifications, develop an organizational structure, and attend to other administrative details.

Your Committees received supporting testimony from DOT and DLNR.

Your Committees were particularly interested in ensuring that DOT's marine patrol enforcement functions would be transferred to DLNR and not to the Department of Public Safety. At the same time, your Committees wanted the Department of Public Safety to provide marine patrol officers with enforcement training.

Upon further consideration, your Committees have amended this bill as follows:

- (1) Provided for the transfer of DOT's marine patrol unit and its enforcement functions to DLNR (page 5, lines 4 - 7; page 14, lines 9 - 10; page 21, line 20 to page 22, line 11; page 30, line 17 to page 32, line 16; page 57, line 14 to page 58, line 1; page 60, line 14 to page 62, line 10; page 74, line 9 to page 75, line 17; and page 87, line 23 to page 88, line 2);
- (2) Provided for the Department of Public Safety to train marine patrol officers (page 31, lines 3 - 4; page 57, line 21 to page 58, line 1);
- (3) Incorporating the provisions of Act 313, Session Laws of Hawaii 1990, relating to ocean recreation (page 26, line 19 to page 27, line 4; page 27, lines 13 - 17; page 28, line 17 to page 29, line 4; page 29, line 23 to page 30, line 7; page 43, line 11 to page 44, line 13; page 44, line 20 to page 45, line 21);
- (4) Re-numbered the proposed new chapter from 187B to 200;
- (5) Clarified the definition of "certificate" on page 26, lines 13 - 14; and
- (6) Made other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Ocean and Marine Resources and Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 917, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 917, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Hashimoto, Hirono, Yoshimura and O'Kieffe.

SCRep. 215 Transportation on H.B. No. 1884

The purpose of this bill is to amend the implied consent law to allow law enforcement officers to require a blood test for drugs, if the police officer has probable cause to believe the driver of a motor vehicle is under the influence of drugs. This bill also permits hospital phlebotomists to withdraw the blood sample; allows the treating physician to refuse the extraction of the blood sample if it would jeopardize the driver's life; and requires hospitals to maintain documentation of the chain of custody of the blood sample.

Your Committee finds that driving under the influence of drugs is both dangerous and illegal. Your Committee, however, also finds that the present law banning such practices is ineffective since it does not require that the suspect be tested for the presence of drugs. Your Committee believes that this bill is necessary to make the current law against driving under the influence of drugs enforceable.

Your Committee received testimony from the Department of Transportation, the Attorney General of Hawaii, Prosecuting Attorney of the County of Hawaii, and the City and County of Honolulu.

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

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1884, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 216 Transportation on H.B. No. 1344

The purpose of this bill is to amend Section 290-11, subsection (b) Hawaii Revised Statutes to delete the requirement of a signed mail receipt as evidence of notification to the legal or registered owner of an abandoned vehicle. This bill would facilitate the disposal of abandoned vehicles by the counties by requiring that a notice be deemed received by the legal or registered owner five days after the notice is mailed rather than requiring a signed mail receipt by the legal or registered owner.

Your Committee finds that abandoned vehicles continue to be a source of constant complaint from the public. Additionally, there have been incidents of legal or registered owners refusing to accept the notice sent by certified mail thus thwarting the counties' efforts to dispose of the vehicle involved.

Your Committee received testimony in favor of the bill from the Department of Transportation and from the Police Department of the City and County of Honolulu.

Your Committee agrees with the intent of this bill to facilitate the disposal of abandoned vehicles by the counties. However, your Committee also noted that postal service delivery is not foolproof and has amended the bill to address that concern by inserting the phrase "absent evidence to the contrary," on page 2 line 13 of the bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1344, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 217 Transportation on H.B. No. 1201

The purpose of this bill is to require an evaluation of the feasibility of off-hour construction for projects which result in the closure of any travelling lane or will result in significant traffic congestion or delay.

Your Committee finds that off-hour construction that occurs between 6:00p.m. and 6:00a.m. is a viable alternative to day-time construction which often causes traffic congestion. Your Committee further finds that an evaluation of the feasibility of off-hour construction will be beneficial to the public by reducing the number of public inconveniences caused by day-time road construction.

Your Committee received testimony from the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1201 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 218 Transportation on H.B. No. 1036

The purpose of this bill is to enable the Governor to designate the Director of Transportation to dispose of easements and access rights within and along State highways.

Your Committee finds that this administrative measure is needed to expedite the disposal of easements and access rights within and along State highways.

Your Committee received testimony from the Department of Transportation.

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

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1036, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 219 Transportation on H.B. No. 154

The purpose of this bill is to require that holders of a temporary instruction permit be accompanied by a licensed driver who is at least 18 years of age when operating a motor vehicle.

Your Committee finds that supervising a driver with a temporary drivers' permit requires a great amount of responsibility. Your Committee finds that persons under eighteen years of age have less than three years of driving experience and may not be capable of adequately instructing an unlicensed driver.

Your Committee received testimony from the Department of Transportation, the Office of the Public Defender, the City and County of Honolulu, the Honolulu Police Department, and a concerned student.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 154 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 220 Transportation on H.B. No. 133

The purpose of this bill is to regulate the use of excessively loud sound amplification systems in motor vehicles. This bill prohibits the operation of sound systems that can be heard from 60 feet and imposes a fine of not less than \$25 and not more than \$250 for each offense.

Your Committee finds that the problem of excessively loud motor vehicle sound systems negatively affects the public's health and welfare. Your Committee also finds that while the City and County of Honolulu has enacted an ordinance to regulate such disturbances, other counties have not. Your Committee further finds that in the case of a conflict between a State statute and a County ordinance regarding the regulation of certain public nuisances, Section 46-17, Hawaii Revised Statutes, which mandates that in such cases, the law which affords the most protection to the public shall apply, would determine whether the State statute or the County ordinance would prevail. It is not the intent of your Committee to preclude the counties from enacting their own ordinances regarding this topic. Furthermore, your Committee does not desire to preempt County ordinances that may afford the public a greater degree of protection.

Your Committee received testimony from the University of Hawaii at Manoa, the Office of the Public Defender, and the Honolulu Police Department.

Your Committee has amended this bill by deleting provisions for a petty misdemeanor penalty. Your Committee has also amended this bill by removing the County ordinance preemption clause.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 133, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 221 Transportation on H.B. No. 1022

The purpose of this bill is to increase the authorized ceiling for Department of Transportation special facility revenue bonds.

Your Committee finds that there has been a great deal of interest in special facility revenue bonds by various airlines and other qualified entities. However, the present limit of \$50 million prevents the issuance of additional bonds for future improvements.

Your Committee received testimony from the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1022 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 918

The purpose of this bill is to allow driver license applicants to be tested in any county, regardless of where they reside in the State. This bill also corrects archaic language and incorrect insurance law chapter numbers contained in Section 286-108 and 286-116, Hawaii Revised Statutes.

Your Committees find that the counties have identical driver license exams with the results of such examinations accepted in each county. Your Committees also find that driver license examinations are administered upon application.

Your Committees received testimony from the Department of Transportation and the City and County of Honolulu.

Your Committees have amended this bill by deleting the requirement for administering the driver's license examination within ten days of filing the application.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 918, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 918, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees.

SCRep. 223 Transportation on H.B. No. 1023

The purpose of this bill is to remove the repeal date of Act 342, Session Laws of Hawaii 1986. This Act will maintain the current legal drinking age at 21 years old.

Your Committee finds that some of the reasons for maintaining the minimum drinking age at 21 include the reduction of the number of traffic accidents involving young adults, the mitigation of other social problems such as juvenile crime and poor school performance, and the prevention of the loss of federal highway funds for the State as a consequence of Public Law 98-363.

Your Committee further finds that a 1987 Supreme Court decision for the South Dakota vs. Dole case did not find unconstitutional, federal mandates that linked receipt of federal highway funds with the adoption of the national minimum drinking age of 21 years of age. The State of Hawaii may lose 10 per cent of the federal highway funds designated for our State if the drinking age in Hawaii is lowered to less than 21 years of age. Although the potential loss of an estimated \$9 million is not the primary reason for the passage of this bill, it is still an important consideration.

Your Committee received testimony from Department of Transportation, the Hawaii Food and Beverage Association, Pink Cadillac Nightclub, and Scruples Nightclub.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1023 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 224 Transportation on H.B. No. 1025

The purpose of this bill is to establish an implied consent law for aviators that is similar to that now in effect for motor vehicle operators. This measure also sets the legal level of intoxication at .04 percent weight of alcohol in the blood of the aviator.

Your Committee finds that it is in the public's best interest that alcohol abuse and its accompanying dangers are eliminated from the State's highways, oceanways, and airways. Your Committee also finds that requiring breath or blood tests from aviators suspected of operating an aircraft under the influence of alcohol will enhance the safety of air travel.

Your Committee received testimony from the Department of Transportation.

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

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1025, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 225 Transportation on H.B. No. 1026

The purpose of this bill is to grant exemptions from the licensing requirements of the Public Utilities Commission to certain motor vehicles used within the airport premises and on highways abutting airport land.

Your Committee finds there are certain motor vehicles that only operate within the airport. These vehicles are currently subjected to Public Utilities Commission licensing requirements. Your Committee agrees that these motor vehicles, if used within the boundaries of the airport should not require Public Utilities Commission licensing.

Your Committee received testimony from the Department of Transportation and the Public Utilities Commission.

Your Committee has amended this bill by reducing the scope of the exemption to vehicles travelling from one point to another within the airport boundaries.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1026, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 226 Transportation on H.B. No. 805

The purpose of this bill is to amend various sections of Chapter 243, Hawaii Revised Statutes. This measure changes the statute of limitations period for monthly fuel tax returns to three years from the date the return is filed. This bill also requires that statements filed pursuant to this section regarding the number of gallons refined, manufactured, compounded, imported, sold, or used by the distributor or person shall be public record. Furthermore, this bill allows taxpayers and the Department of Taxation to extend by written agreement, the time period for any assessment, levy, collection or credit of any fuel tax.

Your Committee finds that this bill is necessary to conform the statute of limitations period relating to fuel tax returns with the income tax and the general excise tax statute of limitations period. Your Committee also finds that until recently, statements filed under Chapter 243 were voluntarily made public by the distributors. Your Committee agrees that these statements should be a matter of public record.

Your Committee received testimony from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 805 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 227 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 806

The purpose of this bill is to exempt from the general excise tax, amounts received by the operator of a county transportation system that is under contract with a political subdivision, where the political subdivision is the owner of the county transportation system.

Your Committees find that on September 15, 1989, the Hawaii Tax Appeal Court ruled in favor of MTL, Inc., that the amounts received from the City and County of Honolulu under its management agreement with the City and County are not subject to the general excise tax. Your Committees also find that since the Court determined the exempt status of MTL, Inc. as an instrumentality of the City, it is appropriate that a specific statutory exemption be established to exempt county transportation operators of buses from the general excise tax within certain limits.

Your Committee received testimony from the Department of Taxation and from the Tax Foundation of Hawaii.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 806 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 228 Higher Education and the Arts on H.B. No. 1720

The purpose of this bill is to provide an optional retirement plan for coaches at the University of Hawaii. The bill would allow coaches with at least five years of full-time service to become members of the Employees' Retirement System, or to withdraw from the Retirement System and to establish a retirement account in a qualified tax-deferred annuity plan under Section 401 (k) of the Internal Revenue Code.

College coaches do not often remain at one institution for a long time. As a result, the requirement that State employees be employed for ten years before qualifying for retirement benefits from the State Employees Retirement System effectively excludes coaches from qualifying for retirement benefits.

Testimony in support of this bill was received from the University of Hawaii and the Teachers Insurance and Annuity Association and College Retirement Equity Fund, non-profit corporations offering portable pension plans to the

educational community. Testimony indicated that Hawaii is one of only seven states which do not allow educational employees to opt out of the State Employees' Retirement System and join an optional retirement program.

Your Committee has amended this bill by deleting the provisions allowing certain categories of coaches to opt out of the State Retirement System and those provisions which would allow the University to contribute to a coach's annuity plan. The bill, as amended, will allow the University to offer coaches an option, in addition to their membership in the Employees' Retirement System, of joining a payroll deduction retirement annuity plan.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1720, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1720, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 229 Higher Education and the Arts on H.B. No. 1288

The purpose of this bill is to establish an office of cultural affairs to coordinate and promote the cultural and artistic programs of the State.

Testimony in support of the intent of this measure was received from the Department of Accounting and General Services, the State Foundation on Culture and the Arts, the Governor's Office, the County of Hawaii Parks and Recreation Department, the Honolulu Chapter of the Japanese American Citizens League, and the Friends of Keolonahihi. Testifiers suggested a study to determine the impact of a reorganization of the State's cultural affairs offices before statutorily instituting this change.

Your Committee has amended this bill by deleting the creation of an office of cultural affairs. Your Committee has replaced this with an appropriation for a master plan for the promotion of culture and the arts in the State, including an evaluation of the feasibility of establishing a State office of cultural affairs.

Your Committee notes that the role of museums, and especially the Bishop Museum, should not be omitted from consideration of the future of cultural affairs in the State. Public interest in museums is growing, as evidenced by legislative initiatives to establish a children's museum, which has been done, and a museum of science and technology. Furthermore, the winning proposal for the redevelopment of the Honolulu waterfront proposed to include a museum and various other cultural activities and sites. As the oldest and largest museum in the State, and the State's flagship museum in its role as the State's museum of natural and cultural history, the relationship between the long-term goals of the Bishop Museum and the activities of other museums in existence or proposed should be explored. Accordingly, your Committee has included as part of the study an examination of the opportunities for mutual assistance between the Bishop Museum and other museums.

Finally, your Committee has inserted the sum of \$100,000 to be expended by the Office of the Governor for the purposes of this bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1288, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 230 Higher Education and the Arts on H.B. No. 2195

The purpose of this bill is to create a Higher Education Incentive Program special fund into which would be deposited the tuition paid to the University of Hawaii.

Testimony in support of the intent of this bill was received from the University of Hawaii.

Your Committee has amended this bill to provide that an unspecified percentage of the tuition collected by the University of Hawaii would be deposited into this fund. In addition, your Committee has provided that all direct appropriations to the University from the Legislature shall be deposited into the fund.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2195, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 231 Higher Education and the Arts and Transportation on H.B. No. 1881 (Majority)

The purpose of this bill is to establish an international flight training center to be operated by the University of Hawaii Community Colleges.

Your Committees received testimony in support of this bill from the University of Hawaii Community Colleges as well as from the airline industry. The training center will educate and train people to operate and maintain the airplanes, as well as to serve its passengers. According to testimony given by Aloha Island Air, an estimated 52,000 pilot openings are

expected within the next 10 years for U.S. airlines alone. A flight training center will prepare the youths of Hawaii to take advantage of this opportunity.

Based on recommendations submitted by the University of Hawaii Community Colleges, your Committees have amended this bill by allowing the University of Hawaii to determine internally who shall operate and manage the center.

Your Committees on Higher Education and the Arts and Transportation are in accord with the intent and purpose of H.B. No. 1881, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1881, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ward.
(Representative Tatibouet did not concur.)

SCRep. 232 Higher Education and the Arts and Education on H.B. No. 1748

The purpose of this bill is to appropriate funds to plan and conduct public forums for debating the governance of public education in Hawaii.

Next Steps: The Hard Decisions, the follow-up by Paul Berman to his original report on Hawaii's public education system, calls for a serious public debate on the governance of public education in Hawaii. While changes at the school level are important, significant educational reform requires change at every level of the public education system. A series of public forums will allow the community to participate in this process and should contribute to increasing public confidence in the education system.

Testimony in support of this measure was received from the Department of Education, the Research Corporation of the University of Hawaii, the Statewide Network of Public School Parents, the Kauai District Congress of Parents, Teachers and Students Association, and other parents.

Your Committees have amended this bill to create an eleven-member blue ribbon citizens panel to be the driving agent behind the public forums. The panel will study the governance structure in light of the issues raised through the public forums, and will report its findings and recommendations to the Legislature prior to the 1992 Regular Session. Your Committees have also increased the appropriation to \$127,562, and made the Department of Education the expending agency. It is the intention of your Committees that the assistance of the Statewide Network of Public School Parents be solicited for the conduct of the public forums.

Your Committees on Higher Education and the Arts and Education are in accord with the intent and purpose of H.B. No. 1748, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1748, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda and O'Kieffe.

SCRep. 233 Higher Education and the Arts and Education on H.B. No. 982

The purpose of this bill is to amend Act 321, Section 40-58 and 103-39, which authorizes the University of Hawaii and the Department of Education to approve the assignment of monies by persons to whom they are directly indebted and to certify to the availability of funds for their contracts.

Currently, only the State Comptroller is authorized to approve requests for assignment and to certify to the availability of funds. However, the Comptroller is no longer able to fulfill these statutory duties because the University and the Department of Education are now responsible for their own purchasing and disbursing functions. This bill will authorize the chief financial officers of the University and the Department of Education to perform these functions.

Your Committees on Higher Education and the Arts and Education are in accord with the intent and purpose of H.B. No. 982 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 234 Housing on H.B. No. 664

The purpose of this Act is to clarify and strengthen the provisions of Chapter 514A, Part VI, Hawaii Revised Statutes, relating to the sales of condominium residential apartments to prospective owner-occupants. It redefines owner-occupant and provides details for the conduct of a lottery for the selection of owner-occupants.

Your Committee heard testimony from the Real Estate Commission and from the Hawaii Association of Realtors in support of the measure.

Your Committee finds that there are several types of abuses in the present first-come/first-served reservation system. This measure will improve the situation as follows:

- (1) A required public lottery to determine the reservation list provides for fairness and eliminates the "camping" problems;
- (2) First opportunity to persons seeking a "principal place of residence" will aid in enforcement;

- (3) A number of disincentives and/or penalty provisions will aid in reducing violators or potential violators;
- (4) A number of self-enforcement provisions will aid in overall enforcement; and
- (5) A more workable enforcement mechanism will permit monitoring of the reservation system by the commission.

The Hawaii Association of Realtors specifically spoke in favor of the public lottery to create the reservation list, the "reaffirmation" provision prior to closing and the penalty provisions which will aid in reducing violations.

Your Committee has amended the bill by further redefining owner-occupant and providing that the commission may from time to time verify that the owner-occupancy requirement is being observed. Your Committee further amended the bill by retaining the language in Section 514A-107 that the commission shall conduct an investigation whenever the commission believes from satisfactory evidence that violation of that section or related rules has occurred.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 664, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 664, HD 1 and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Amaral.

SCRep. 235 Housing on H.B. No. 939

The purpose of this bill is to amend Chapter 516, Hawaii Revised Statutes, to add a shared appreciation component to the law to curb lessee speculation after purchase of the fee.

Your Committee received testimony in support of this bill from the Housing Finance and Development Corporation.

Upon further consideration, your Committee has amended the bill by:

- (1) Providing that if the residential lot is sold within two years of purchase of the leased fee, the seller shall pay the lessor an amount equal to the percent increase in appreciation multiplied by the purchase price of the leased fee interest;
- (2) Providing that the foregoing amount to share with the lessor shall decrease twenty percentage points every two years to the eighth year following the date of purchase of the leased fee interest and shall remain at the eighth year percentage in perpetuity;
- (3) Allowing the lessee to avoid the shared appreciation requirement by opting to pay the lessor the unencumbered fee simple value of the land as determined by the court under the eminent domain case;
- (4) Providing in Section 516-33(7), Hawaii Revised Statutes, that a person is deemed to own lands for the purposes of this subsection if the person, the person's spouse, or both the person and the person's spouse have a beneficial interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such land;
- (5) Deleting language from Section 516-33(7), Hawaii Revised Statutes, pertaining to lands suitable for residential purposes in or reasonably near the place of business of the person seeking to purchase the fee;
- (6) Clarifying that the bill does not affect applications for lease to fee conversions received by the corporation and pending in the approval process prior to its effective date; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

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

Signed by all members of the Committee except Representative Amaral.

SCRep. 236 Housing on H.B. No. 98

The purpose of this bill is to appropriate moneys to develop or construct additional shelters for the homeless.

Your Committee received testimony in support of the intent of this bill from the Hawaii Housing Authority, the Housing Finance and Development Corporation, the Founders' Group of the Kokua Council for Senior Citizens, the American Association of Retired Persons, the Hawaii Ecumenical Housing Corporation, and the Governor's Homeless Concerns Committee.

Upon further consideration, your Committee has amended the bill by appropriating \$7,210,000 for fiscal year 1991-1992 for the following homeless shelter projects:

- (1) Homeless housing for West Hawaii

| | | |
|-----|--|--------------------|
| | Plans, Design, Construction, and Land costs for housing for homeless families in West Hawaii. | \$1,700,000 |
| (2) | Homeless housing for Maui Plans, Design, Construction, and Land costs for housing for homeless families and singles in Maui. | \$2,000,000 |
| (3) | Maililand addition on Oahu Plans, Design, Construction, and Land costs for the purchase and renovation of an existing quadplex unit next to the Maililand transitional facility on Oahu. | \$ 510,000 |
| (4) | Special needs homeless housing for Honolulu Plans, Design, Construction, and Land costs for housing special needs homeless for Honolulu. | \$3,000,000 |
| | TOTAL | \$7,210,000 |

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

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 98, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 98, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Amaral.

SCRep. 237 Housing on H.B. No. 2217

Your Committee heard testimony from the Housing Finance and Development Corporation (HFDC), the Kamehameha Schools/Bernice Pauahi Bishop Estate and two citizens.

The HFDC testified that the term 'beneficial interest' would be preferred to 'equitable interest.' They further believed that the topic covered by this bill might be covered in another bill.

The Bishop Estate urged passage of this bill to close an observed loophole in land conversion under Chapter 516 HRS.

Two private citizens spoke against the bill, stating their belief that the provisions of the bill would react negatively on all parties undergoing leasehold conversion.

Your Committee has amended the bill in view of the testimony and discussion during the public hearing to change 516-33(7) to exclude those persons from eligibility for leasehold conversion who hold "...a majority interest in fee simple or leasehold hands suitable for residential purposes...or retain a beneficial interest in lands under any trust..."

Your Committee on Housing concurs with the intent and purpose of H.B. No. 2217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2217, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative Amaral.

SCRep. 238 Housing on H.B. No. 1049

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue an additional \$400,000,000 in tax exempt revenue bonds for the Hula Mae Single Family Mortgage Purchase Program.

Your Committee finds that the Hula Mae Single Family Mortgage Purchase Program helps low and moderate income families purchase their first homes. Authorizing the HFDC to issue tax exempt mortgage revenue bonds in an additional amount will make more funds available through mortgage lenders at affordable interest rates to low and moderate income families.

Although your Committee recommends that this bill pass Second Reading, your Committee has requested that the HFDC submit information to the Committee regarding HFDC administration practices, underwriting fees, service and origination fees, and profile information on persons who purchase market price units.

Testimony supporting the intent of this measure was submitted by the Department of Budget and Finance's Housing Finance and Development Corporation.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1049 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Amaral.

SCRep. 239 Housing on H.B. No. 1983

The purpose of this bill is to appropriate moneys to assist the Housing Finance and Development Corporation (HFDC) and the State Homeless Concerns Committee to:

- (1) Formulate methods of securing alternative sources of funding to implement land and infrastructure improvements at the Keystone Gardens housing project in Nanakuli, Oahu, or any other self-help or owner-builder housing project; and
- (2) Provide low-interest loans to the residents of the Keystone Gardens housing project, or any other self-help or owner-builder housing project.

Your Committee received testimony in support of the bill from the HFDC, the Catholic Charities of the Diocese of Honolulu, Nanakuli Neighborhood Housing Services, the American Association of Retired Persons, and a long-time resident of the Waianae coast area.

Your Committee emphasizes that the intent of the bill is not to saturate the Waianae coast area with low-income housing and homeless shelters, but to provide affordable housing which is exemplary in quality, planning, and design.

Your Committee has amended the bill by:

- (1) Designating the HFDC as the expending agency;
- (2) Requiring that all lands improved under the bill be leased by the State at a rental rate of \$1 per year for the lessee's lot;
- (3) Requiring that all lands improved under the bill be exempt from the fee purchase provisions of Chapter 516, Hawaii Revised Statutes;
- (4) Directing that the HFDC and the Homeless Concerns Committee work closely with the communities of the Waianae coast to formulate methods of securing funding to implement land and infrastructure improvements;
- (5) Requiring that small contractors be given preference in the improvement and development of lands pursuant to the bill;
- (6) Emphasizing that the intent of the bill is to develop houses which are not only affordable but which are exemplary in quality, planning, and design; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1983, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 240 Housing on H.B. No. 864

The purpose of this bill is to appropriate funds for low-interest loans for self-help home construction on Hawaiian home lands on the island of Hawaii in Panaewa and Keaukaha.

Your Committee received testimony in strong support of this bill from the Department of Hawaiian Home Lands, the Hilo Hawaiian Homebuilders Support Group, the Gibson Foundation, and concerned citizens.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 864 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 241 Housing and Water, Land Use and Hawaiian Affairs on H.B. No. 1055

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue tax exempt revenue bonds in an aggregate principal amount not to exceed \$375,000,000 for the development of rental housing projects under the State of Hawaii's Rental Housing System. This represents an additional \$100,000,000 more than the present aggregate principal amount of \$275,000,000.

Your Committees received testimony from the Housing Finance and Development Corporation strongly in support of this administration bill.

The Rental Housing System was created to increase the number of affordable rental units in Hawaii. The Rental Housing System finances various projects under a single bond indenture, thereby reducing the project risk associated with conventionally financed multi-family projects.

To date the HFDC has issued \$100,650,000 to finance the development of 872 units or approximately \$115,000 per unit.

Your Committees believe that the HFDC should find other alternatives to produce more rental units. Your Committees also expressed concern with the speed at which much needed units were being produced. Your Committees discussed the concept of a rental assistance fund.

Your Committees find, with trepidation, that the HFDC's revenue bond authorization must be increased to finance the development of much-needed additional affordable rental housing projects.

Your Committees on Housing and Water, Land Use and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1055 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 242 Housing and Human Services on H.B. No. 1617

The purpose of this bill is to authorize the establishment of Mutual Housing Associations.

Your Committees heard testimony from the Housing Finance and Development Corporation (HFDC) and the Neighborhood Reinvestment Corporation.

Testimony from HFDC indicated support for the concept of the Act but expressed concern about the possible relationship of the Mutual Housing Associations with the HFDC. The HFDC expressed further concerns about the provisions of a Mutual Housing Association Assistance Special Fund. The HFDC noted that there were sources of funding in existence which would complement the proposed activities of the Neighborhood Reinvestment Corporation with regard to mutual housing.

The Neighborhood Reinvestment Corporation presented testimony in favor of the bill, but suggested several amendments for the purpose of clarity.

Your Committees have amended the bill to make it clear that Mutual Housing Associations should be certified by the Neighborhood Reinvestment Corporation.

A further amendment requires the bylaws of a Mutual Housing Association to provide for membership, the majority of which shall be residents of housing owned by the Mutual Housing Association.

The possible sources of support for the Mutual Housing Association Assistance Special Fund were clarified and several proposed restrictions on the powers of the Housing Finance and Development Corporation were removed.

Your Committees also made several technical, nonsubstantive amendments to the bill.

Your Committees on Housing and Human Services are in accord with the intent and purpose of H.B. No. 1617, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1617, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 243 Water, Land Use and Hawaiian Affairs and Intergovernmental Relations and International Affairs on H.B. No. 1037

The purpose of this bill is to provide for the transfer of certain State parks to the counties and certain county parks to the State in order to better utilize the resources of each jurisdiction.

Your Committees find that the State and the counties have discussed the transfer of certain parks for a number of years and that the State and counties have reached a general agreement on these transfers.

Your Committees have amended this bill by:

- (1) Providing that the estate, right, title, and interest, and any appurtenance thereto, of the State relating to the 16th Avenue Park shall be vested in the City and County of Honolulu only as long as the same remains a recreational area;
- (2) Adding Kalihi Valley Park to the list of parks to be transferred from the City and County of Honolulu to the State, and providing that the estate, right, title, and interest, and any appurtenance thereto, of the City and County of Honolulu relating to Kalihi Valley Park shall be vested in the State only as long as the same is maintained for passive and meditative uses

- (3) Correcting the erroneous reference in section 4 concerning the law distributing revenues from the transient accommodations tax to the counties; and
- (4) Making a few technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committees on Water, Land Use and Hawaiian Affairs and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1037, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1037, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 244 Education and Human Services on H.B. No. 283

The purpose of this bill is to appropriate funds to expand the special needs program to designated schools in the Honolulu school district. At the present time, the ten schools designated by the Department of Education to receive special needs funds are all located in the Leeward district.

The Department of Education (Department) testified in favor of this measure; however, the Department recommended that funding for the special needs program also include public schools in the Molokai and Lanai complexes of the Maui school district.

Testimony supporting the intent of this measure was also submitted by the principal of Kalihi Waena Elementary School and the chairperson of Farrington Complex Principals, and parents, teachers, and students of the Honolulu school district. In addition, your Committees received supporting testimony to provide funds for special needs schools from the Hawaii Business Roundtable.

Your Committees have made the following amendments to the bill:

- (1) Extended the special needs program to include public schools in the Molokai and Lanai complexes of the Maui school district;
- (2) Appropriated \$1,800,000 for fiscal year 1991-1992 and \$2,600,000 for fiscal year 1992-1993 to fund the special needs programs in the Honolulu and Maui school districts;
- (3) Included the Department's formula for appropriating moneys to schools identified as special needs schools; and
- (4) Included the Department's long-range plan and the total cost estimates over the next three biennia to implement the special needs program in schools that are identified as special needs schools.

Your Committees on Education and Human Services are in accord with the intent and purpose of H.B. No. 283, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 283, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 245 Education on H.B. No. 2121

The purpose of this bill is to:

- (1) Amend Chapter 37, Hawaii Revised Statutes (HRS) by adding a new part relating to public school funding and expenditures for School/Community-Based Management (SCBM) system schools;
- (2) Exempt appropriations for SCBM schools from the quarterly allotment requirements as provided in Section 37-32 and Section 37-33, HRS;
- (3) Allot SCBM schools their appropriations on an annual basis and authorize these schools to carry over their allotted funds into the succeeding fiscal year;
- (4) Allow SCBM schools to expend their allotted funds without regard to the classifications of expenditures prescribed in the appropriation measure and the requirements of Section 37-38, HRS; and
- (5) Authorize each SCBM school to hire as many teachers or other personnel as the school may deem necessary to meet the school's objectives, within certain provisions.

The Department of Education and the Hawaii Business Roundtable testified in support of the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2121 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 246 Education on H.B. No. 1379

The purpose of this bill is to appropriate funds for the 1991-1992 fiscal year for the recruitment and training of additional staff to fill current vacancies as well as those staff positions which are needed for expanded facilities and services.

Representatives from the Hawaii State Public Library System and the Librarians Association of Hawaii submitted testimony in support of the bill.

Your Committee notes that the funds which are included in the 1991 Library Services Executive Budget is reflective of the high priority and emphasis that is placed on the hiring and training of library staff for the effective running of the Hawaii State Public Library System.

Your Committee has amended the bill by inserting the appropriation sum of \$1 for the purpose of further discussion.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1379, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 247 Education on H.B. No. 1384

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for renovation of the Hawaii State Library.

Representatives from the Hawaii State Public Library System and the Librarians Association of Hawaii testified in support of the measure.

Your Committee wishes to emphasize to the Department of Accounting and General Services (DAGS) its concerns regarding the insufficient service and quality of renovation and maintenance work on the Hawaii State Library. In response to these mounting concerns, the House Committee on Education will establish a subcommittee to investigate and monitor the progress of the renovation and maintenance services provided by DAGS to the library. The subcommittee will submit these findings to the House Committee on Finance.

In reporting this measure out of Committee, your Committee notes that DAGS will submit a copy of the contract for renovation of the Hawaii State Library, an up-to-date timetable for renovation of the library, and the reasons why additional moneys are needed for renovation of the library to the Chair of the House Committee on Education for review and distribution to members.

Your Committee has amended the bill by inserting the appropriation sums of \$1 for each year of the 1991-1993 fiscal biennium for the purpose of further discussion.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1384, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 248 Education on H.B. No. 1368 (Majority)

The purpose of this bill is to allow lump-sum budgeting to the Department of Education (DOE), whereby the Board of Education shall establish budgeting priorities within other than existing programs in other regular instruction.

The DOE testified in support of this bill. The DOE testified that lump-sum budgeting provides flexibility which is consistent with School/Community-Based Management and decentralized school governance authority.

Your Committee has amended the bill by:

- (1) Exempting budget allotments for schools from the quarterly allotment requirements as provided in sections 37-32 and 37-33, Hawaii Revised Statutes (HRS);
- (2) Providing allotments to each school on an annual basis;
- (3) Authorizing schools to carry over allotted funds into the succeeding fiscal year;
- (4) Lapsing any allotments remaining unencumbered at the end of the second fiscal year after appropriation, and returning these allotments to the general fund as described in section 40-66, HRS;
- (5) Exempting funds allotted to schools from the expenditure requirements under section 37-38, HRS; and
- (6) Restricting the Governor from impounding or restricting appropriated funds for public school education unless public hearings are conducted in accordance with provisions contained in section 91, HRS.

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1368, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bunda.
(Representative Hashimoto did not concur.)

SCRep. 249 Education on H.B. No. 1278

The purpose of this bill is to appropriate funds to be expended by the Department of Education for the implementation of Section 297-31.1, Hawaii Revised Statutes, relating to teacher classification.

Supportive testimony was offered by the Department of Education, and the Hawaii State Teachers Association. The representative from the Department of Education stated that the measure will provide salary increases for teachers who will be reclassified as Class VII. The representative from the Hawaii State Teachers Association added that it is essential for the State to provide opportunities and incentives for qualified individuals to teach at public schools and that this bill demonstrates a firm step in that direction.

Your Committee has amended this bill by revising the appropriation to \$3,039,993 for fiscal year 1991-1992, and \$4,663,298 for fiscal year 1992-1993. Technical, nonsubstantive amendments were also made for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1278, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 250 Education on H.B. No. 2122

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium to implement Phases I and II of Waiālae School's School/Community-Based Management (SCBM) proposal.

The Department of Education (Department), the principal, and students of Waiālae School, and others testified in support of this measure.

Your Committee strongly expresses its intent to provide funds for schools in their second year of SCBM.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sum of \$1 for the 1991-1992 fiscal year for the purposes of further discussion; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2122, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 251 Education on H.B. No. 1754

The purpose of this bill is to appropriate \$672,975, or so much thereof as may be necessary for 43.5 additional school clerical positions for fiscal year 1991-1992, and \$2,114,982, or so much thereof as may be necessary for 121.5 additional school clerical positions for fiscal year 1992-1993, to the Department of Education (DOE).

Your Committee received testimony in favor of the bill from the DOE, Hawaii School Office Services Association, and the HGEA/AFSCME. All of the testimony discussed a DOE 1990 clerical staffing study which was approved by the Board of Education. The clerical staffing study confirmed a critical need for additional clerical positions to support school administration. While many educational programs were added to or expanded in the public school system, a commensurate increase in the number of support personnel to contend with the increase in the administrative workload generated by the new or expanded programs has not been provided to the schools.

The Hawaii School Office Services Association pointed out that current school clerical staffing is only at 44 percent of the level of staffing recommended in the clerical staffing study.

The Association also recommended that the positions requested in the bill be amended to conform to the priorities established in the clerical staffing study (table 5, page 29).

The DOE recommended that the appropriations be considered in the context of the budget priorities established by the Board of Education.

Your Committee has amended the bill by amending the appropriation for fiscal year 1991-1992 to be \$277,000 for 20 additional school clerical positions, and by amending the appropriation for fiscal year 1992-1993 to be \$332,400 for 20 additional school clerical positions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1754, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 252 Education on H.B. No. 1372

The purpose of this bill is to appropriate \$500,000, or so much thereof as may be necessary, for fiscal year 1991-1992, and \$500,000, or so much thereof as may be necessary, for fiscal year 1992-1993, to the Department of Education to provide necessary equipment, supplies, and services for statewide high school athletics, including safety equipment, medical supplies, athletic supplies, and increased medics/trainer coverage.

Your Committee received favorable testimony in support of the bill from the Department of Education. The Department stated as follows: "The interscholastic athletics program is not only an integral part of a student's educational experience but contributes to his/her development especially in areas such as sportsmanship, cooperation and responsibility to self and others. The student's safety and welfare are of primary consideration when conducting any interscholastic athletics activity."

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1372 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 253 Education on H.B. No. 1681

The purpose of this bill is to provide the Department of Education (DOE) with a lump-sum allocation based on the amount authorized by the Legislature during the biennial fiscal year immediately preceding and based on the amount authorized by the Legislature during the supplemental fiscal year immediately preceding, provided that the total appropriation to the DOE is no less than inflation increases specified in the Consumer Price Index (CPI).

Your Committee received supporting testimony from the DOE. Currently, public schools are given their funds in separate allotments that cannot be commingled or used for another purpose. The DOE testified that lump-sum allocations would provide schools with the flexibility they need to decide where and how to spend their funds. The DOE also testified that DOE appropriations that are no less than inflation increases will assure schools that their budgets will not be reduced lower than the inflation index adjustment. Therefore, even in a year when revenues drop, schools can at least maintain the purchasing power of their current budget.

In addition, your Committee also recognizes that revenue projections for the DOE is important to the effective planning of future education programs and services for Hawaii's public school students.

Your Committee has amended the bill by:

- (1) Providing that the total appropriation to the DOE shall be no less than inflation increases specified in the CPI;
- (2) Establishing a means of allocating moneys to the DOE whereby each year a specified amount of general funds based on a percentage of revenue projections is guaranteed for education improvements or program adjustments;
- (3) Establishing a method of percentage increases for education program adjustments;
- (4) Restricting the Governor from impounding or restricting DOE funds unless public hearings are conducted in accordance with provisions contained in section 91, HRS; and
- (5) Providing that federal impact aid funds be used to supplement, not supplant, state general fund appropriations to the DOE.

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1681, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254 Education on H.B. No. 1403

The purpose of this bill is to appropriate funds for the repair and maintenance of Department of Education facilities for each year of the 1991-1993 fiscal biennium.

The Department of Education (DOE), the Department of Accounting and General Services (DAGS), Building Inspection Consultants, and others testified in support of this measure.

Your Committee notes that the DOE has promised to submit a timetable for the repair and maintenance of DOE facilities to the Chair of the House Committee on Education for review and distribution to Committee members.

The bill has been amended as follows:

- (1) Changed the expending agency from the DOE to DAGS; and
- (2) Inserted the appropriation sums of \$40,000,000 for each year of the 1991-1993 fiscal biennium for the repair and maintenance of Department of Education facilities.

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1403, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255 Education on H.B. No. 1391

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for asbestos removal plans with an implementation timetable.

The Department of Education (DOE), the Hawaii State Teachers Association, and Building Inspection Consultants testified in favor of the measure.

Your Committee has amended the bill by inserting the appropriation sum of \$400,000 for each year of the 1991-1993 fiscal biennium for the asbestos removal plans and implementation timetable. However, in reporting this measure out of committee, your Committee notes that the DOE has promised to submit a timetable for implementation of the asbestos removal plans to the Chair of the House Committee on Education for review and distribution to members.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1391, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256 Education on H.B. No. 1385

The purpose of this bill as received is to appropriate moneys for each year of the 1991-1993 fiscal biennium to create a plan for the systematic repair and maintenance of the public library system.

The Hawaii State Public Library System testified against the measure because the Department of Accounting and General Services (DAGS), the Central Services Division, and public libraries have initiated a program that addresses the concerns of repair and maintenance needs of Hawaii's libraries and its facilities. Your Committee also received testimony supporting the intent of the bill from DAGS; however, DAGS requested that funding be used for implementing its systematic repair and maintenance plan.

Your Committee notes that DAGS has submitted a report to the 1991 Legislature which contains a detailed plan for the repair and maintenance of all State library facilities and a status report on the pilot program for minor repair and maintenance of State library facilities.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Appropriated funds for each year of the 1991-1993 fiscal biennium to implement the comprehensive repair and maintenance plan for the systematic repair and alterations program for the public library system;
- (2) Inserted the appropriation sums of \$3,000,000 for fiscal year 1991-1992 and \$3,000,000 for fiscal year 1992-1993; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1385, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257 Education on H.B. No. 1383

The purpose of this bill is to appropriate funds to be expended by the Hawaii State Public Library System to microfiche yearbooks and Daily Pinions.

Supportive testimony was offered by the Hawaii State Public Library System, and the Librarians Association of Hawaii.

Your Committee amended this bill by revising the appropriation for fiscal year 1991-1992 to \$1, and the appropriation for fiscal year 1992-1993 to \$1.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1383, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258 Education on H.B. No. 1382

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to implement the provisions of Act 369, Session Laws of Hawaii 1989, which created a school inspection program.

Testimony in support of the bill was received by your Committee from the Department of Education, Department of Accounting and General Services, and Lance L. Luke, CSI (a volunteer school inspector).

Your Committee has amended the bill by inserting the amount of \$25,000 for fiscal year 1991-1992 into the bill, and adding an appropriation of \$25,750 for fiscal year 1992-1993 to the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1382, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259 Education on H.B. No. 1380

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 for additional funding for student helpers.

Representatives from the Hawaii State Public Library System and the Librarians Association of Hawaii submitted testimony in support of the measure.

Your Committee recognizes the disparity between the State minimum wage at different periods. The State minimum wage is currently \$3.85 an hour and the federal minimum wage is currently \$3.80 an hour. As of April 1, 1991, the federal minimum wage will increase to \$4.25 an hour.

In response to this wage differential, your Committee has amended the bill as follows:

- (1) Included that compensation for student helpers shall be at the State minimum wage or the federal minimum wage, whichever rate is highest at the time; and
- (2) Inserted the appropriation sum of \$1 for fiscal year 1991-1992 for the purpose of further discussion.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1380, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260 Education on H.B. No. 1378

The purpose of this bill is to appropriate funds for the 1991-1992 fiscal year to provide programs, services, and special outreach librarians to reach and encourage certain subgroups such as young adults, literacy-handicapped individuals, senior citizens, and immigrants to better utilize the resources of the public library system.

The Hawaii State Public Library System and the Librarians Association of Hawaii submitted testimony in favor of the measure.

Your Committee notes the effectiveness of extending the Hawaii Interactive Television System (HITS) to the neighbor islands. Through HITS, students statewide can participate in classes without having to travel to distant campuses. HITS has been particularly effective for neighbor island students.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$91,636 for fiscal year 1991-1992 and \$72,632 for fiscal year 1992-1993;
- (2) Provided moneys for another fiscal year 1992-1993; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

In reporting this measure out of committee, your Committee notes that the Hawaii State Public Library System has promised to submit a timetable and plan of action regarding the expansion of library services to the Chair of the House Committee on Education for review and distribution to members.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261 Education on H.B. No. 1377

The purpose of this bill is to appropriate funds for the 1991-1992 fiscal year to cover cost increases in excess of the normal inflation rate for books, equipment, utilities, postal rates, and other expenses.

The Hawaii State Public Library System and the Librarians Association of Hawaii testified in support of the measure.

Increases in funding for library services is needed to at least maintain these services at current levels in response to the costs of inflation and other unforeseen expenses.

Your Committee has amended this bill by inserting the appropriation sum of \$1 for the 1991-1992 fiscal year for the purposes of further discussion to cover cost increases in excess of the normal inflation rate for books, equipment, utilities, postal rates, and other expenses. Technical, nonsubstantive amendments were also made for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1377, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262 Education on H.B. No. 1373

The purpose of this bill is to adjust the pay of athletic directors and coaches in subsequent years by the same percent and/or dollar increase negotiated by teachers through collective bargaining.

The Department of Education testified in support of this measure. Your Committee received testimony from the Hawaii State Teachers Association (HSTA) in opposition to this measure. The HSTA testified that to set a separate compensation mechanism outside of the negotiations table would subvert the collective bargaining process.

It is your Committee's understanding that the coaches' compensation schedule is part of the supplementary pay schedule for bargaining unit 5, which includes differential rates for grade level chairs, band teachers, school librarians, registrars, drama teachers, and others.

Upon further consideration, your Committee has amended the bill to tie the pay of athletic director and coaches to the substitute teachers per diem rates.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1373, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263 Education on H.B. No. 1363

The purpose of this bill is to appropriate funds to be expended by the Department of Education for the conversion of temporary librarian positions to permanent positions (within the Hawaii State Public Library System) for positions funded for the period of the fiscal biennium.

Supportive testimony was submitted by the Librarians Association of Hawaii, and the Hawaii State Public Library System.

Your Committee amended this bill by revising the appropriation for fiscal year 1991-1992 to \$1, and the appropriation for fiscal year 1992-1993 to \$1.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1363, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264 Education on H.B. No. 729

The purpose of this bill as received is to establish the A+ after-school program as a permanent program under the jurisdiction of the Office of Children and Youth.

While the need for affordable and quality after-school supervision and services statewide is not questioned, your Committee opposes transferring the A+ after-school program from the jurisdiction of the Department of Education (DOE) to the Office of Children and Youth (OCY). Your Committee feels that transferring the A+ program to OCY may jeopardize the home-school relationship if schools are not directly involved in the A+ program because of the perception that the program is separate rather than a part of the total school program, and may reduce the program to a baby-sitting program.

Your Committee recognizes that the A+ after-school program is a voluntary pilot program and not part of the compulsory educational services provided by the State. The tight fiscal restraints that are being imposed on State services and programs during this recessionary period would subject the A+ program as well as other DOE educational services and programs to budgetary cuts, which may result in considerable lessening of affordable and quality after-school day care services for Hawaii's families.

To ensure that the pilot A+ program and other DOE educational services and programs are sufficiently funded during a very conservative budgetary period, your Committee has amended the bill to provide the means whereby federal impact aid funds shall be used to supplement, not supplant, State general fund appropriations to the DOE to expand and enrich its educational services and programs.

Your Committee has also amended the bill as follows:

- (1) Deleted the substance of the bill;
- (2) Inserted the appropriation sum of \$15,668,860 for fiscal year 1991-1992 to continue implementation of the A+ pilot after-school program;
- (3) The Board of Education shall establish within two years, an after-school program for intermediate school students; and
- (4) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 729, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bunda.

SCRep. 265 Education on H.B. No. 1988

The purpose of this bill as received is to establish a technology enterprise program and to provide a resource consultant at the high school level to develop a detailed curricula, assemble training materials, and teach a course in the innovative technology enterprise program. This course would be offered by the McKinley High School's Learning Center for Business.

Your Committee received supporting testimony from the Department of Education (DOE), the Office of Technology Transfer and Economic Development at the University of Hawaii, the High Technology Development Corporation, and the Department of Mechanical Engineering at the Massachusetts Institute of Technology.

In addition, the principal, parents, and students of McKinley High School, representatives of the Business Learning Center at McKinley High School, the McKinley High School Alumni Association, and others testified in favor of the bill.

Your Committee notes the importance of business and technology courses in Hawaii's public schools and encourages the business community to become more involved in the planning and implementation efforts by providing expertise, resources, and other support to eager and able students for future job and educational challenges.

Your Committee has amended the bill as follows:

- (1) Deleted reference to providing a resource consultant at the high school level to develop the technology enterprise program;
- (2) Inserted the appropriation sums of \$11,125 for fiscal year 1991-1992 and \$26,875 for fiscal year 1992-1993 to develop and teach innovative curriculum development at McKinley High School;
- (3) Provided appropriations for two fiscal years; and

- (4) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1988, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 266 Education on H.B. No. 1756

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium to Project Healthstart for the following purposes:

- (1) To implement the Project Healthstart class during the summer session on Oahu and Maui;
- (2) To conduct a class at Farrington High School throughout the 1991-1993 academic years to provide expanded instruction and training relating to careers and practical experience in the healthcare industry; and
- (3) To provide for a pilot healthcare program on the islands of Hawaii and Maui.

The Department of Education (DOE), the Healthcare Association of Hawaii, students of Project Healthstart, and others testified in support of the bill.

The DOE clarified that Project Healthstart was developed as a summer course for Oahu's students and will be expanded to include one school on Hawaii and Maui. Farrington High School will be offering a similar course during the school year as part of its Health Academy, which is a school-within-a-school program.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Clarified that implementation of the Project Healthstart class will include the summer sessions of 1991 and 1992 on Oahu, Maui, and Hawaii;
- (2) Stated that appropriated moneys for Project Healthstart will include providing a summer clinical course of three weeks for fifteen students during the summer of 1992 on Oahu;
- (3) Deleted references for conducting a class at Farrington High School from the purpose of the bill; and
- (4) Inserted the appropriation sum of \$124,825 for the 1991-1992 fiscal year and the sum of \$100,425 for the 1992-1993 fiscal year.

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1756, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 267 Education on H.B. No. 2048

The purpose of this bill is to appropriate additional funds for expansion in each year of the 1991-1993 fiscal biennium for the school mediation program and for statewide conferences on conflict management.

The Department of Education (Department), conflict mediators, students, and other interested persons testified in favor of this bill. The Department testified that funding is needed because:

- (1) The number of schools with school-based mediation programs has doubled in the past two years to the present 38 secondary schools and 20 elementary schools;
- (2) The number of neighbor island schools requesting consultation services and training continues to grow;
- (3) Schools with existing programs are requesting expanded services such as teacher training and the introduction of conflict resolution concepts and skills into the curriculum; and
- (4) Elementary school students and advisers are asking for district and state level conferences to network and enhance mediation skills.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sum of \$1 for each year of the 1991-1993 fiscal biennium for the school mediation program and the sum of \$1 for each year of the 1991-1993 fiscal biennium for statewide conferences on conflict management for the purposes of further discussion on the expansion of the program; and

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2048, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 268 Education on H.B. No. 1739

The purpose of this bill is to provide funds for each year of the 1991-1993 fiscal biennium to extend the Parent-Community Networking Center (PCNC) program to one-hundred schools in the next biennium and to provide for an expansion of the training and support team.

The Department of Education, the Hawaii Community Education Association, the State Council of Hawaiian Homestead Associations, PCNC facilitators, and other interested persons testified in support of this measure.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1739 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 269 Education on H.B. No. 1752

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for training, supplies, and other expenditures related to the implementation of SCBM into Hawaii's public schools.

The Department of Education and the Hawaii Business Roundtable testified in support of the measure. The Hawaii Business Roundtable testified that it is particularly concerned that failure to provide SCBM schools with the resources these schools need to move forward with their SCBM plans will send a negative message about the State's commitment to SCBM.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$1 for each year of the fiscal biennium for the purposes of further discussion and to emphasize the need for funding the SCBM program beyond the amounts budgeted in the executive budget; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1752, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bunda.

SCRep. 270 Education on H.B. No. 1376

The purpose of this bill is to appropriate funds for the 1991-1992 fiscal year to satisfy library user demands for maintaining and expanding evening, weekend, and holiday hours of the Hawaii State Public Library System.

Representatives from the Hawaii State State Public Library System and the Librarians Association of Hawaii testified in support of this bill.

Your Committee has amended the bill as follows:

- (1) Inserted the appropriation sum of \$1 for the purpose of further discussion; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1376, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 271 Education on H.B. No. 1757

The purpose of this bill is to allow the price for school meals to be set administratively by the Superintendent of Education to insure that moneys received from the sale of meals shall total not less than thirty percent of the total operating cost of the school lunch program. The cost shall be based on the average cost of operating the school lunch program over the three preceding years from the current school year.

The Department of Education (Department) testified in favor of the measure. Your Committee notes that school lunch prices have not been adjusted on a regular basis to meet the rising costs of food, labor, utilities, repair and maintenance, equipment, and other operational costs.

The Department testified that the bill would allow the Superintendent to administratively set the lunch price to generate enough funds equal to roughly one-third of the total budget.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1757 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 272 Planning and Economic Development on H.B. No. 897

The purpose of this bill is to establish a special fund within the State Treasury into which fees from the rental of the Hawaii Film Facility and its props along with legislative appropriations may be deposited and from which funds may be expended by the Department of Business, Economic Development and Tourism for the operation, maintenance, and management of the film facility.

Your Committee received testimony from the Director of Business, Economic Development and Tourism in support of this measure and from the Outdoor Circle in support of the establishment of the fund, but in opposition of the Diamond Head site.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 897 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 273 Planning and Economic Development on H.B. No. 899

The purpose of this bill is to define the purpose, powers, and duties of the High Technology Development Corporation and to authorize the Director of Finance, with the approval of the Governor, to make such loans to the development corporation that may be necessary up to the aggregate sum of \$1,000,000.

Your Committee received testimony from the Executive Director of High Technology Development Corporation in support of this measure.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 899 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 274 Planning and Economic Development on H.B. No. 907

The purpose of this bill is to authorize the Department of Business, Economic Development and Tourism to transfer moneys among the business loan revolving funds for the large fishing vessel loan program, small fishing vessel loan program, capital loan program, and the innovation development loan program as the need arises.

Your Committee received testimony from the Director of Business, Economic Development and Tourism and the Executive Director of High Technology Development Corporation in support of this measure.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 907 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 275 Planning and Economic Development and Intergovernmental Relations and International Affairs
on H.B. No. 1509**

The purpose of this bill is to grant general powers to the counties to provide, by ordinance, for the establishment of community facilities special tax districts within each county.

Your Committees received testimony from the Department of Land and Natural Resources, the City & County of Honolulu, Director of Finance, the Mayor of Hawaii County, and the Mayor of Kauai County in support of this measure.

Your Committees on Planning and Economic Development and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1509 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita, Taniguchi, Yonamine and Ward.

SCRep. 276 Planning and Economic Development on H.B. No. 556

The purpose of this bill is to establish an economic development inducement fund to provide financial assistance in the form of loans, grants, or stipends to attract new businesses to, or retain old businesses in Hawaii. The fund would be administered by an existing board of governors. This bill would appropriate \$100,000 to the fund.

Your Committee received testimony from the Director of Business, Economic Development and Tourism in support of this measure.

Your Committee has amended this bill by deleting the fund's board of governors and making the Department of Business, Economic Development and Tourism responsible for administration of the fund.

Your Committee further required the Department of Business, Economic Development and Tourism to report annually to the Legislature on the activities of the fund including such factors as the loan periods, loan criteria, and principal repayment. Finally, your Committee reduced the appropriation to \$1.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 556, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277 Ocean and Marine Resources on H.B. No. 1848

The purpose of this bill is to restore Hawaiian fish ponds as not only historic and cultural treasures but also as efficient ways to produce seafood. This bill would establish a Hawaiian fish pond restoration program as well as a board to oversee the program and also appropriates \$2 million to implement the program.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Oceanic Institute, and three interested residents.

Your Committee finds that the establishment of a Hawaiian fish pond restoration program can result in many benefits including:

- (1) The preservation of historic fish ponds for future generations;
- (2) The development of a cottage industry that is compatible with the rural lifestyle;
- (3) A valuable source of food and employment for Hawaii's people; and
- (4) The long-term possibility for transferring traditional and new fish pond technology to our neighbors in the Pacific Basin.

Recognizing the tight fiscal outlook for the State, your Committee has amended this bill by replacing the appropriation amount from \$2 million to \$1, to permit further consideration of the merits of this measure. Your Committee has also amended this bill to correct technical drafting errors.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 278 Ocean and Marine Resources on H.B. No. 1448

The purpose of this bill is to protect the public health with regard to the consumption of reef fish by appropriating funds to study the nature of a potent marine toxin suspected of causing the recent deaths of two dolphins that lived in the lagoon of the Hyatt Regency Waikoloa Hotel in Kona, Hawaii.

University of Hawaii researchers have found evidence of a toxin in certain species of reef fish caught in the Hyatt Regency Waikoloa lagoon. These fish are among those that have been an important source of food and recreation in Hawaii. To date, there has been only limited research to isolate and characterize this toxin. Indications are that human consumption of this toxin could have serious effects. Research is needed not only to aid in the identification of the micro or macro algae responsible for producing the toxin, but also to examine the conditions under which the toxins were produced. Your Committee finds that it is in the public's interest to learn more about the nature of this toxin.

Your Committee further finds that the Hyatt Regency Waikoloa has already contributed over \$10,000 towards this study. In order to encourage broader community support and involvement on this matter, your Committee will be introducing a resolution on this subject. In particular, this resolution will increase public awareness about this issue and encourage Big Island hotel organizations as well as other local groups to contribute resources towards this study.

For the purposes of continuing discussion on the merits of this bill, your Committee has replaced the appropriated amount with \$1 for each fiscal year. Your Committee has further amended this bill by designating the Department of Health as the expending agency.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1448, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279 Ocean and Marine Resources on H.B. No. 339

The purpose of this bill is to develop an accurate inventory of the State's ocean energy resources and coastal and marine environment by appropriating funds to the Department of Business, Economic Development, and Tourism (DBED).

Under this bill, DBED would develop a coastal and marine environmental database; update and expand ocean energy resource inventories to include data on waves, tides, marine biomass, salinity gradients, and other prospective energy resources; assess the relative environmental impacts of these prospective energy resources on the coastal and marine environment; and identify those shoreline areas most at risk from potential oil spills.

The University of Hawaii's School of Ocean and Earth Science and Technology and DBED testified in support of this bill.

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

- (1) Replacing the appropriated amount with \$1 for the purposes of continuing discussion on the merits of this bill; and
- (2) Replacing references to DBED throughout the bill with the Office of State Planning.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 280 Ocean and Marine Resources on H.B. No. 769

The purpose of this bill is to support the establishment of commercial mahimahi farms and/or the stocking of Hawaiian waters to enhance our local fishing industry. This bill appropriates \$100,000 for enhanced mahimahi feed research.

Your Committee finds that mahimahi is Hawaii's most popular fish and second most popular seafood. Your Committee further finds that the University of Hawaii and the Waikiki Aquarium have made important research breakthroughs by developing hatchery methods and new pelleted feeds and by increasing their knowledge of mahimahi physiology, nutrition, disease susceptibility, and genetics.

This bill would enhance research support in the critical areas of developing improved feeds for adult and juvenile mahimahi. Substantial progress has been made with prototype feeds formulation.

Recognizing the tight fiscal outlook for the State, your Committee has amended this bill by replacing the appropriation amount from \$100,000 to \$1 to permit further consideration of the merits of this measure.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 769, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 281 Ocean and Marine Resources on H.B. No. 682

The purpose of this bill is to improve coordination of agencies involved in applied research and technology concerning Hawaii's ocean environment by establishing the Governor's Applied Research Coordinating Committee for Ocean and Earth Science and Technology. This Coordinating Committee would have broad powers and duties, including:

- (1) Proposing a State applied research policy which shall serve as a guide for applied research on ocean and earth resources development in the State;
- (2) Coordinating and monitoring all State agencies in their duties and responsibilities with respect to applied research in ocean and earth science and technology development; and
- (3) Coordinating and reviewing the preparation and submission of all departmental budgets as they relate to applied research on ocean and earth science and technology; and the activities of all departments to ensure

timely and efficient implementation of all authorized applied research programs on ocean and earth science and technology.

Your Committee received testimony from the University of Hawaii's School of Ocean and Earth Science and Technology and from the Department of Business, Economic Development, and Tourism (DBED). The latter had serious reservations about the proposed scope of responsibilities of the Coordinating Committee, its makeup, and the policy-making implications of such a committee. During the discussion, both testifiers agreed that the proposed Coordinating Committee should be limited to providing guidance and not policy; in addition, it should not have administrative control over departments.

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

- (1) Placing the Coordinating Committee within DBED instead of the Governor's Office;
- (2) Adding a definition for "director" to mean the director of DBED;
- (3) Requiring that three Coordinating Committee members be from technology-based industrial concerns instead of the applied research industry;
- (4) Substituting the director of DBED as the Coordinating Committee chairperson instead of the Governor;
- (5) Requiring that the Coordinating Committee provide policy guidance instead of policy for applied research on ocean and earth resources;
- (6) Substantially reducing certain broad, coordinating roles including the coordination of all state applied research activities;
- (7) Inserting an appropriation of \$1; and
- (8) Making other amendments that reduce the overall scope of the Coordinating Committee to reflect its role as an advisory body.

Your Committee recognizes the inconsistency between assigning the Coordinating Committee to DBED while not deleting references to the Governor's Coordinating Committee. This inconsistency is due to the narrow construction of the bill's title.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 682, HD 1, and be referred to the Committee on Finance.

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

SCRep. 282 Ocean and Marine Resources on H.B. No. 971

The purpose of this bill is to: (1) clarify the definition of the term "fishing; and (2) authorize the Department of Land and Natural Resources to regulate residents, permittees, or licensees(DLNR) beyond the State marine waters.

Chapter 187A, Hawaii Revised Statutes, Fishing Rights and Regulations, only contains a definition for "taking" and none for "fishing." This bill would broaden the application of Chapter 187A by establishing a definition of "fishing" that incorporates "taking." This amendment will correct a loophole in the law that was made evident in a recent court case involving a person who was fishing but who had not actually caught anything at the time he was cited. The court concluded that because existing law does not include the action of attempting to catch fish, there was no violation of the law.

Your Committee shares the concerns of various a testifiers that the proposed definition of "fishing" is overly broad. Under this bill, a boat traversing through a Marine Life Conservation District could be cited for a fishing violation simply by having fishing gear stored on the boat. Accordingly, your Committee has amended this bill by replacing the word "with" with "using" on page 1, line 5 so that a person would need to be using fishing equipment to be considered fishing.

The second part of this bill addresses the extent of the State's police and regulatory power in the ocean. Act 126, Session Laws of Hawaii 1990, expanded the State's authority to "state marine waters" which is defined as extending to the limit of the State's police powers and management authority, including the U.S. territorial sea (12 miles from the shoreline). However, according to DLNR, federal law does permit state regulation over residents, licensees and permittees outside the U.S. territorial sea to the extent of the Federal Conservation Zone (200 miles from the shoreline) under certain circumstances. The enabling language of Section 2 of this bill would allow the state to handle such problems as the longline/troll fishing conflict, by regulating licensees and permittees outside State marine waters.

Your Committee continues to be concerned about the seeming contradiction between expanding the State's jurisdiction in the ocean at a time when its enforcement capabilities continue to lag. Your Committee justifies its support for this section of the bill on the grounds that the amendatory language: (1) seeks to clarify what the State already assumes; (2) would enhance resource management efforts through monthly fish catch reports; and (3) may help to resolve the longline/troll fishery issue.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 971, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 283 Ocean and Marine Resources on H.B. No. 974

The purpose of this bill is to:

- (1) Clarify language relating to the minimum sizes of fish by replacing general terminology with more appropriate terms;
- (2) Allow the Department of Land and Natural Resources (DLNR) to transfer to administrative rules the licensing measures relating to the selling and serving (by restaurants) of pond raised mullet, Kona crab, and lobsters during their respective closed seasons; and
- (3) Prohibit the taking of rocks to which marine life is attached.

Testifiers were particularly concerned about the proposed amendments relating to the taking of rocks. Since the enactment of Act 69, Session Laws of Hawaii 1990, which prohibited the sale of stony corals, DLNR has learned that commercial aquarium collectors have turned to taking rocks on which marine life is attached. Although such rocks are greatly sought after by hobbyists who own mini-reef tanks, their removal could eventually threaten Hawaii's reef ecosystem.

Several collectors testified that they attempt to observe "good" conservation practices by "planting" shoreline rocks into the ocean to allow marine organisms to affix onto them for future "harvesting." In this manner, there is no cumulative reduction to the reef ecosystem. These testifiers indicated that they might lose their livelihood should the proposed amendments become law. As drafted, the taking of these "live" rocks would only be allowed by obtaining a permit under Section 187A-6 (for scientific, educational, or propagation purposes) or Section 183-4 (conservation district use application).

Upon further consideration, your Committee has amended this bill by inserting the phrase, "or by the department under rules adopted pursuant to chapter 91 necessary for scientific, educational, or propagation purposes" at the end of subsection (a) (page 6, line 7). It is your Committee's intent that this provision would exempt such good conservation practices from the prohibition, once the practitioners obtained permits under DLNR rules.

Finally, your Committee recognizes the multiple value that marine organisms have to the people of Hawaii. Although many people appreciate the benefits that these organisms provide as a food source or as a vital part of our fragile marine ecosystem, your Committee wishes to point out their value to Hawaii's growing aquarium industry as well as to our tourism industry (through diving and submarine tours).

Your Committee has further amended this bill by inserting the phrase "provided that this section shall not apply to the kala, *Naso lituratus*;" at the end of paragraph (3) on page 1, line 12 to exempt the *Naso tang* or *umaumalei* from the nine inch minimum size for sale. According to DLNR, exempting this fish from the rest of the kala should not be a problem, since this fish is not known to be a primary food fish species.

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

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 974, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 284 Ocean and Marine Resources on H.B. No. 42

The purpose of this bill is to better conserve the State's fishery resources by requiring the use of nets with larger mesh sizes. A larger minimum size mesh should allow smaller sized fish to escape capture and grow to larger sizes before being harvested. Under this bill, it would be unlawful for any person to use nets or bullpen traps with a stretched mesh of less than two and three-fourths inches after December 31, 1993. Current law prohibits a stretched mesh of less than two inches.

Your Committee concurs with two amendments proposed by the Department of Land and Natural Resources and has amended the bill as follows:

- (1) Clarified the amendatory language by inserting the words "less than" between the words "and" and "two" on page 1, line 5; and
- (2) Applied the same amendatory language to Subsection 188-29(b), which relates to traps, by inserting the phrase "and less than two and three-fourths inches after December 31, 1993" between the words "inches" and "or" in paragraph (1).

Your Committee discussed, at length, the feasibility of appropriating funds for a State buy back program as a means to minimize any economic hardship that this bill would create. Because your Committee felt that more work is needed on developing a program that is both equitable and effective, this issue was deferred. Your Committee notes that because the effective date of the larger mesh size will not go into effect until December 31, 1993, there is sufficient time for future Legislatures to fully consider such a compensation program.

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

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 285 Ocean and Marine Resources on H.B. No. 1819

The purpose of this bill is to follow-up on the Hawaii Ocean Center Planning Council's recommendations by beginning the process of implementing the Hawaii Ocean Center concept as a network of ocean-related programs and centers throughout the state. This bill appropriates funds to the Sea Grant Extension Service to begin development of the Hawaii Ocean Center network program.

Your Committee finds that in January, 1990, the Hawaii Ocean Center Planning Council completed a report entitled: Hawaii Ocean Center: Recommendations and Implementation Proposals. In addition to its endorsement of the statewide network of programs and centers, the Council recommended that the Sea Grant Extension Service serve as the coordinating organization and lead agency for this undertaking.

Your Committee further finds that there are a number of existing and planned ocean center-related facilities and programs throughout the State. The Hawaii Ocean Center program network would provide the catalyst needed to coalesce these programs into an identifiable and visible statewide ocean awareness program.

Your Committee received testimony in support of this bill from the Office of State Planning; the City and County of Honolulu's Department of Parks and Recreation; the University of Hawaii's School of Ocean and Earth Science and Technology; the University's Marine Option Program; and Sea Life Park.

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

- (1) Replacing the appropriated amount with \$1 for the purpose of continuing discussion on the merits of this bill; and
- (2) Designating the Office of State Planning as the expending agency.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1819, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 286 Ocean and Marine Resources on H.B. No. 1428 (Majority)

The purpose of this bill is to ensure the public's right of transit along Hawaii's shorelines by clarifying Section 115-4, Hawaii Revised Statutes (HRS).

Chapter 115, HRS, addresses public access to coastal as well as inland recreational areas. Section 115-4, HRS, states as follows:

"The right of access to Hawaii's shorelines includes the right of transit along the shorelines under conditions of safety for the public."

Some are concerned that the phrase "under conditions of safety for the public" might be interpreted to encourage certain misguided property owners to create or maintain unsafe conditions in the hopes of limiting the public's transit on the beaches and shoreline areas. By deleting this phrase, your Committee seeks to ensure that Section 115-4, HRS, will not be interpreted as qualifying the right of transit along the shoreline in this manner.

Some Committee members were concerned that the deletion of this phrase might be interpreted as a relinquishing of the guarantee of safe transit for the public.

Your Committee considered various amendments to this bill including the insertion of the word "safe" on line 13 so that it would read: "includes the right of safe transit along the shorelines". Another suggestion sought to protect the landowner against having to provide shoreline transit in areas where no transit can reasonably be provided. That suggestion proposed to add the phrase "where natural topography does not prohibit safe transit" on line 14. In the end, your Committee agreed not to complicate Section 115-4, HRS, but instead to simplify the language.

In supporting this bill, it is your Committee's intent to guarantee public transit along the shoreline. It is not your Committee's intent to encourage the provision of public transit along the shoreline under unsafe conditions. Other provisions in Chapter 115, HRS, provide for a method to secure the right of transit where cliffs or the nature of the topography are such that there is no reasonably safe transit available.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1428 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.
(Representative Bunda did not concur.)

SCRep. 287 Ocean and Marine Resources on H.B. No. 251

The purpose of this bill is to appropriate sufficient funds for the study of certain important coral reefs in Hawaii. This bill appropriates \$43,000 to commission the Hawaii Institute of Marine Biology (HIMB) of the University of Hawaii to assess the health and monitor the long-term status of the coral reefs at Hanauma Bay, Oahu; Puako Reef, Island of Hawaii; and Honolua Bay, Maui. The funds shall be administered by the Department of Land and Natural Resources.

Your Committee received testimony in support of the bill from the Department of Land and Natural Resources, and the Department of Parks and Recreation of the City and County of Honolulu. It also received favorable testimony from: Cynthia Hunter, a coral researcher at the Hawaii Institute of Marine Biology, University of Hawaii; Dr. John T. Harrison of the Environmental Center, University of Hawaii; and Dr. James Maragos, speaking in his individual capacity.

According to the testimony, there is evidence of disease in the coral reefs at Hanauma Bay as well as other bays. However, little is known about the long-term health of Hawaii's coral reefs because reef monitoring called for in this bill has not been done before. It was brought to your Committee's attention that the systematic and scientific methodology that would be developed in this study would help to preserve the health of these three reefs as well as other reefs throughout the Hawaiian Islands and the Pacific Ocean.

It was pointed out that national interest in the project exists and that matching funding by the Environmental Protection Agency to expand the study to other reefs is a distinct possibility.

Your Committee determined that the Department of Land and Natural Resources would be an appropriate State agency for the administration of the project. HIMB shall deliver an interim report to the Legislature on the results of the study within eighteen months of the effective date of the legislation.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 251 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 288 Ocean and Marine Resources on H.B. No. 1557

The purpose of this bill is to implement one of the major recommendations contained in the Hawaii Ocean Resources Management Plan that was prepared by the Hawaii Ocean and Marine Resources Council.

In 1988, the Legislature created the Hawaii Ocean and Marine Resources Council and directed it to prepare the Hawaii Ocean Resources Management Plan. The legislative intent behind the enactment of Act 235, Session Laws of Hawaii 1988, was based on the finding that although many government agencies had responsibilities for different marine and coastal resources and uses, Hawaii needed a more coordinated and consistent ocean policy framework. In January, 1991, the Council submitted its recommended plan to the Legislature which included its recommendations on a new governance structure. This bill addresses this particular recommendation by proposing the establishment of an Office of Marine and Coastal Affairs in the Governor's Office to serve in the lead coordinator role.

After deliberating over this matter at length, your Committee makes the following findings:

- (1) It is vital that a more coordinated and consistent ocean policy framework be developed for the State;
- (2) Immediate steps must be taken to ensure that the policies, principles, and recommendations contained in the plan continue to be developed and implemented;
- (3) Given the nature of the current conditions of the State, it is appropriate that a marine and coastal affairs program be established within the Office of State Planning; and
- (4) At the same time, steps should be taken to begin planning for the eventual establishment of a Department of Marine and Coastal Affairs.

Your Committee has substantially amended this bill as follows:

- (1) Re-designating the Office as a Marine and Coastal Affairs Program;
- (2) Placing the program within the Office of State Planning instead of the Office of the Governor;
- (3) Requiring that the head of Marine and Coastal Affairs Program be known as a deputy director to be compensated at a salary level equivalent to a deputy to the head of any department of the State;
- (4) Directing the preparation of a plan for the establishment of a proposed Department of Marine and Coastal Affairs for submittal to the 1993 Legislature;

- (5) Inserting additional, specific responsibilities to develop a Hawaii Ocean Center network program and an inventory of ocean energy resources and coastal and marine environment;
- (6) Deleting sections of the bill that propose to amend the Office of State Planning's responsibilities relating to the Coastal Zone Management Program;
- (7) Deleting other sections of the bill that provide for the transfer of employees and property; and
- (8) Making technical, non-substantive amendments to the bill for the purposes of style and clarity.

Finally, your Committee wishes to acknowledge the efforts of the members of the Hawaii Ocean and Marine Resources Council as well as staff in the development of the Hawaii Ocean Resources Management Plan.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1557, HD 1, and be referred to the Committee on Finance.

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

SCRep. 289 Ocean and Marine Resources and Intergovernmental Relations and International Affairs on H.B. No. 949

The purpose of this bill is to broaden the State's authority to enforce Hawaii's fishing laws by authorizing any enforcement officer of the Department of Land and Natural Resources (DLNR) or any police officer to examine and inspect the contents of: (1) any fishing bag used to carry the fish catch; or (2) any vehicle or other conveyance used to transport the catch.

According to DLNR's testimony, a recent court case involving the taking of fish during its closed season was dismissed on the grounds that the DLNR enforcement officer lacked authority to examine a fisherman's catch which was carried in a bag.

Your Committees find that the inspection of the catch is essential to determining compliance with Hawaii's fishing laws.

Your Committees have amended this bill to further broaden its coverage so that other enforcement officers, in addition to DLNR agents and police officers, would be granted the same rights to inspect a fisherman's catch. Your Committees have therefore replaced two references to "police officer" with "enforcement officer of the state."

Your Committees on Ocean and Marine Resources and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 949, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 949, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 290 Ocean and Marine Resources and Intergovernmental Relations and International Affairs on H.B. No. 1239

The purpose of this bill is to promote Hawaii's ocean research and development (R&D) industry by appropriating funds for the planning coordination of the fifth Pacific Congress on Marine Science and Technology (PACON-92) to be held in May, 1992, in Kona, Hawaii.

Your Committees find that PACON International is a nonprofit marine society whose objectives are to apply appropriate technology and to transfer technology, where needed, to the problems and opportunities of the Pacific nations and to promote Hawaii business. Your Committees further find that the requested funding represents an economical means to raise the visibility of Hawaii nationally and internationally as a premier place to conduct ocean R&D and to help attract additional government funding and business support for the industry. Ocean R&D is a high growth industry in Hawaii that was valued at \$62 million in 1989.

The Department of Business, Economic Development, and Tourism; the University of Hawaii's Marine Option Program; and PACON International all testified in support of this bill.

Upon further consideration, your Committees have amended this bill by replacing the appropriated amount in Section 2 with a sum of \$1 for the purpose of continuing discussion on the merits of this bill.

Your Committees on Ocean and Marine Resources and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1239, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1239, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 291 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 1564

The purpose of this bill is to strengthen Hawaii's manned deep submergence capability to study and assess the living and geological resources of the 200-mile Hawaiian Exclusive Economic Zone by appropriating funds for the purchase of essential equipment.

Your Committees find that in order to expand the use of the Hawaii Undersea Research Laboratory's submersibles and remotely-operated vehicles, the program must have an ocean-going, dedicated support ship. Your Committees further find that the National Oceanic and Atmospheric Administration is providing the funds for the construction of the ship and for the on-board PISCES V handling equipment and remotely-operated vehicles. However, additional funding is needed to expand the ship's capability for night-time remotely-operated vehicles and remote camera operations from aboard the ship. Specifically, an ocean floor navigation system and conducting cable with a winch are needed. This equipment would allow real-time positioning and operation of robotic devices on the ocean floor.

Your Committees received testimony in support of this bill from the Hawaii Undersea Research Laboratory, the Natural Energy Laboratory of Hawaii-HOST Park, Makai Ocean Engineering, Inc., Hawaii Dredging and Construction Co., and Edward K. Noda and Associates.

Upon further consideration, your Committees have amended this bill by replacing the appropriation with a sum of \$2 for the purposes of continuing discussion on the merits of this bill. Your Committees have further amended this bill to correct a technical drafting error.

Your Committees on Ocean and Marine Resources and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 1564, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1564, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 292 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 1563

The purpose of this bill is to ensure the continuation of the Hanauma Bay Educational Program by appropriating funds for the upcoming fiscal year.

Since July, 1989, Sea Grant Extension Service and the City and County of Honolulu's Department of Parks and Recreation have been working to develop and implement a pilot education program at Hanauma Bay on Oahu. The primary purposes of this program are to protect the fragile ecology of the bay, provide a "hands-on" marine educational experience, and improve visitor water safety while using the bay. Since its inception, the program has conducted tours for about three hundred visitors each month.

Your Committees find that at the end of June, 1991, there will be no funds to continue the program. Your Committees further find that this program is deserving of continued funding.

Your Committees received testimony in support of this bill from the Sea Grant College Program, the City and County of Honolulu's Department of Parks and Recreation, and the Department of Land and Natural Resources.

Upon further consideration, your Committees have amended this bill by:

- (1) Replacing the appropriated amount with a sum of \$1 for the purposes of continued discussion on the merits of this bill;
- (2) Designating the Department of Land and Natural Resources as the expending agency; and
- (3) Making technical amendments for the purposes of style and clarity.

Your Committees on Ocean and Marine Resources and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 1563, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1563, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 293 Ocean and Marine Resources and Transportation on H.B. No. 1032

The purpose of this bill is to broaden the scope of Hawaii's thrill craft law by making it an offense for any person to allow or to mislead others into allowing a person under the age of fifteen to operate a thrill craft.

Section 267-16, Hawaii Revised Statutes, forbids anyone less than fifteen years of age to operate a thrill craft. However, the law does not address the responsibility of adults who permit or mislead others into permitting the violation of this law.

The Department of Transportation testified in support of this administration bill.

Your Committees on Ocean and Marine Resources and Transportation are in accord with the intent and purpose of H.B. No. 1032 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 294 Health and Human Services on H.B. No. 256

The purpose of this bill, as received by your Committees, is to re-define what organizations are responsible for the certification or accreditation of health care organizations, and to change the policy coverage for mental illness, alcohol and drug dependence benefits.

Your Committees heard testimony from the Department of Health, a consultant to the Department of Health, Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Castle Medical Center, Kaiser Permanente, The Queen's Medical Center, a certified addictions counselor, Hawaii Public Health Association, Big Island Substance Abuse Council, and the Aloha House, Inc.

Testimony brought out mixed feelings from all parties on the two themes of the bill. Support was expressed for giving the Department of Health accreditation authority; however, there were concerns about changing the policy requirements for mental illness, alcohol and drug dependence benefits, and also about removing the Joint Commission on Accreditation of Health Care Organizations (JCAHO) and the Commission on Accreditation of Rehabilitation Facilities (CARF) entirely from the accreditation process.

Your Committees have amended the bill to allow the Department of Health accreditation authority, in addition to JCAHO and CARF. Items 4. and 5. of SECTION 1 have been deleted.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. No. 256, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 256, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees.

SCRep. 295 Ocean and Marine Resources on H.B. No. 2213

The purpose of this bill is to provide residents as well as visitors with high quality marine experiences by working towards the creation of alternative marine habitats. This bill appropriates an unspecified sum for a study of marine life conservation districts (MLCDs) in the State. The intent of this study is to designate additional MLCDs or augment the utilization of established MLCDs as a means to provide alternative sites to Hanauma Bay. The study would also consider the possibility of enhancing alternate sites with artificial reefs.

The Department of Land and Natural Resources (DLNR) and the Japan-Hawaii Travel Association testified in support of this bill. DLNR pointed out that while the expansion of MLCDs may be welcomed by visitors as alternative marine destinations, consideration should also be given towards the reaction of others, including area residents, who may not support the closing off of marine areas for additional MLCDs.

According to the Japan-Hawaii Travel Association, since Hanauma Bay has been denied as a destination for many tour groups, there is an urgent need for the State to identify new marine locations to meet the needs of Hawaii's visitors. In this regard, the Japan-Hawaii Travel Association indicated that it would be willing to commit financial assistance toward this study.

Your Committee acknowledges the willingness of the Japan-Hawaii Travel Association to commit resources aimed at creating alternative marine habitats. In this regard, your Committee will introduce a resolution this session to encourage broader private sector participation in this undertaking.

Upon further consideration, your Committee has amended this bill by replacing the appropriated amount with \$1 for the purpose of continuing discussion on the merits of this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2213, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 296 Ocean and Marine Resources on H.B. No. 893

The purpose of this bill is to implement some of the recommendations contained in an assessment of the Coastal Zone Management (CZM) Program by amending Section 205A, Hawaii Revised Statutes.

In 1990, the Office of State Planning conducted an assessment of the CZM Program which included a comprehensive series of workshops and public meetings. In January, 1991, the Office distributed its resulting report entitled: Recommendations For Improving The Hawaii Coastal Zone Management Program. This bill proposes to implement the following recommendations of this report by:

- (1) Expanding the coastal zone management area to cover the entire state by encompassing all forest reserves;
- (2) Improving program objectives and policies that address nonpoint source pollution and oil spills, public participation, and beach protection;

- (3) Establishing a special management area single-family dwelling approval for new single-family homes within the special management area to address a loophole that allows for the construction of large single-family dwellings including corporate retreats;
- (4) Establishing a new shoreline stabilization district to address the problems of coastal erosion;
- (5) Strengthening of enforcement capabilities by directing the lead agency to monitor enforcement activities of the various State and county agencies and requiring agencies to enforce the CZM objectives and policies; and
- (6) Expanding the shoreline setback to 40 feet in the urban district and 150 feet in non-urban district.

Your Committee received testimony from the Office of State Planning; the City and County of Honolulu's Department of Parks and Recreation; The Estate of James Campbell; Hawaii Resort Developers Conference; Life of the Land; and Land Use Research Foundation of Hawaii.

Your Committee was particularly concerned about the possible negative impact of this bill on small landowners who live along the shore. Second, some questioned the appropriateness of possibly applying Oahu standards to all counties, especially in light of the absence of any testimony by Neighbor Island counties. Third, there was a question whether the proposed shoreline stabilization district concept should be a county or state function.

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

- (1) Clarified that Section 2 of the bill applies only to dwellings that don't require a special management area use permit;
- (2) Deleted the word "certified" in Sections 3 and 11 of the bill as used to describe a coastal engineer or coastal geologist who is needed to help plan shoreline facilities and improvements; your Committee finds that there is no official certification of coastal engineers;
- (3) Added two lead agency responsibilities in Section 6 of this bill to:
 - (a) Utilize CZM funds to resolve coastal problems and issues not adequately addressed by existing laws and rules; and
 - (b) Advocate agency compliance with Chapter 205A through testimony and, if appropriate, litigation;
- (4) Added a new subsection to Section 11 of this bill to grant a variance for a single-family dwelling which does not have the necessary buildable area outside the shoreline area as determined by the department; and
- (5) Made technical, nonsubstantive amendments throughout the bill to correct technical drafting errors and for purposes of style and clarity.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 893, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bunda, Yoshimura and O'Kieffe.

SCRep. 297 Ocean and Marine Resources on H.B. No. 972

The purpose of this bill is to prohibit longline fishing within the marine waters of the State.

Information received by your Committee indicates that the number of longline vessels in Hawaiian waters has increased from 45 vessels in 1989 to approximately 150 vessels in 1991. It was further reported that in 1989, longliners caught 2.2 million pounds of ahi, compared with 580,000 pounds in 1987, and that in those same two years the ahi catch of the small boat fishermen went from 2.7 million pounds to 770,000 pounds. With regard to marlin, the premier charter boat fish, the catch for trollers declined 840,000 pounds in 1987 to 760,000 in 1989, while the longline fleet increased its catch from 110,000 pounds in 1987 to 760,000 in 1989.

Your Committee finds that longline fishing has definite negative effects on the environment, on the catch of other types of recreational and commercial fishermen, and on the peaceful co-existence of fishermen and other sporting enthusiasts in State marine waters. Deaths of monk seals, a native endangered species, and albatross have been directly linked to this type of fishing. Furthermore, migrating humpback whales have been observed in Hawaiian waters with longliners wrapped around their bodies.

In addition to grave environmental concerns, conflicts between longline fishermen and other fishermen have resulted in violent confrontations. Your Committee finds that the "gentlemen's agreement" executed by the Department of Land and Natural Resources and longline fishermen to voluntarily fish beyond a twenty mile distance from shore was not maintained.

The urgency of the conflict between longliners and other Hawaiian fishermen requires immediate attention and action. Your Committee has, therefore, made the following amendments to the bill:

- (1) Clarified the definition of longline fishing so that it will include the use of mainline over one mile in length;

- (2) Expanded the longline closure area to include waters seventy-five miles from the shoreline or within the prohibited area which may be established by the federal government, whichever is greater;
- (3) Specifying that the penalty for failing to comply with this measure will result in a revocation of a commercial marine license, and equipment and gear shall be subject to forfeiture and seizure provisions; and
- (4) Making technical nonsubstantive revisions for purposes of style and clarity.

Your Committee notes that the one-mile definition of longline fishing will allow for continued use of traditional Hawaiian fishing gear such as the "Akaka line" which is less than a mile in length.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 972, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bunda, Yoshimura and O'Kieffe.

SCRep. 298 Health on H.B. No. 2207

The purpose of this bill is to address the needs of persons who have acquired disabilities as a result of spinal cord and/or brain injuries.

Your Committee received testimony supporting this bill from representatives of the Rehabilitation Hospital of the Pacific, The Epilepsy Foundation of Hawaii, The Hawaii Centers for Independent Living, Rainbow House, The Pacific Head Injury Foundation, and one individual. The Department of Health requested that action on this bill be deferred to the 1992 session because of current budgetary constraints.

Your Committee finds that persons with disabilities caused by brain and spinal cord injuries face many challenges, that there are few services available in the community to address their needs, and that the program of action called for by this bill represents an important step in assuring a maximum return to good health of these persons.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2207 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299 Health on H.B. No. 935

The purpose of this bill is to amend Chapter 321, Part X, Hawaii Revised Statutes, to replace the term "venereal disease" with the currently more acceptable term "sexually transmitted disease".

Your Committee received testimony from a representative of the Department of Health in support of this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 935 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 300 Health on H.B. No. 931

The purpose of this bill is amend Section 338-18, Hawaii Revised Statutes, to clarify the circumstances that require the Department of Health to permit inspection of a public health statistic record.

Your Committee received testimony in support of this bill from the Department of Health and the Office of Hawaiian Affairs. No testimony was received in opposition of this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 931 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 301 Health on H.B. No. 825

The purpose of this bill is to amend Section 465-7, Hawaii Revised Statutes, to provide uniform experiential requirements for all applicants for a license as a psychologist. These requirements would be applicable to all candidates, including those graduating from doctoral programs approved by the American Psychological Association and those graduating from regionally accredited graduate institutions.

Testimony supporting the intent of this measure was submitted by the Hawaii Psychological Association and the Board of Psychology.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 825 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all member of the Committee.

SCRep. 302 Health on H.B. No. 64

The purpose of this bill, as received by your Committee, is to amend Chapter 342F, Hawaii Revised Statutes, by adding a new section that establishes a State community noise code which recognizes differences in noise level standards in urban and rural areas of the State. Developing such a code is important because noise pollution constitutes a real and present danger to health and because ongoing urbanization and technological innovation constantly increase the levels of noise in all four counties of Hawaii. Noise pollution is known to produce serious physical and psychological stress, to cause hearing loss, to disrupt sleep, to threaten fetal development, to increase the likelihood of unintentional injuries, to increase susceptibility to disease and infection, and to complicate heart problems and other diseases.

The Environmental Center of the University of Hawaii at Manoa and one individual submitted testimony in support of the Bill. The Department of Health submitted testimony that expressed reservations about this bill. The Department noted that promulgation of a statewide code could not be accomplished by the end of the 1991-1993 biennium. The Department also submitted two budget proposals for implementation of a State community noise control plan. One plan, which would include staff positions on the outer islands, would cost in excess of \$1,000,000. The other budget proposal, which would involve increases in Oahu-based staff only, would cost about \$500,000 for the purpose of implementing development of the statewide noise control plan and carrying out the functions of the existing program on Oahu. The Department also testified that counties have the statutory authority to control noise, that noise control is in fact best administered at the county level, and that the Department has only a limited ability to enforce even the present noise code.

Your Committee finds (1) that the Department of Health does not believe that enforcement of noise codes should be a state function; (2) that the Department of Health cannot administer a statewide noise control plan with current resources; (3) that it would require an inordinate amount of resources to develop a statewide community noise control plan; and ((4) that a task force on state and county functions recommended that the state not be involved in noise control.

While your Committee believes in the importance of noise control for public health, it recognizes that assigning this responsibility to an unwilling agency is unsatisfactory. Accordingly your Committee has amended this bill (1) by deleting the requirement that the Department of Health develop a State community noise code which recognizes differences in noise level standards in urban and rural areas of the State; and (2) by adding language to repeal Chapter 342F, thereby eliminating the Department of Health's statutory obligation to control noise.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 64, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 64, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 303 Health on H.B. No. 2159

The purpose of this bill is to amend the Hawaii Revised Statutes to clarify the State's commitment to the care of Hansen's disease patients in Hawaii.

Your Committee received testimony in support of this bill from representatives of the Department of Health and the Coalition for Specialized Housing.

This bill was amended to incorporate changes requested by the Department of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2159, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 304 Health on H.B. No. 68 (Majority)

The purpose of this bill, as received by your Committee, is to prohibit the use of any vending machine that dispenses cigarettes or tobacco products in any state or county public building.

Testimony in favor of the bill was presented by the Department of Health, American Lung Association, Hawaii Medical Association, and the American Cancer Society. Testimony was submitted in opposition to the bill from Sonnie Gay Ltd., The Tobacco Institute, Hawaii Food Industry Association, and R.J. Reynolds Tobacco Company.

Your Committee believes the intent of the bill is to keep high school students from having access to tobacco products via vending machines. However, your Committee feels that more substantial evidence must be produced to insure that a ban on vending machines is a valid approach to the problem. However, if the statistics show that the percentage of high school students who smoke or use tobacco products is equal to or greater than 10%, then your Committee feels that an all out ban on vending machines should occur.

With this in mind, your Committee has amended the bill to mandate the Department of Health to produce a statistically valid survey on the percentage of high school students who smoke or use tobacco products by each county. If the percentage of high school students reaches 10% or greater for any county, then a total ban on vending machines in that county will occur on July 1, 1991. The survey will then be done every two years, with each county being reconsidered, or removed from the ban based on the 10% ceiling.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 68, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 68, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 305 Health on H.B. No. 265

The purpose of this bill is appropriate moneys to begin the development of a statewide comprehensive system of care that will provide a continuum of appropriate mental health services to the children and adolescents of the State of Hawaii.

Your Committee received testimony in support of this bill from the Department of Health, the Hawaii Advisory Commission on Drug Abuse and Controlled Substances, the Office of Children and Youth, the Protection and Advocacy Agency of Hawaii, the Salvation Army Residential Treatment Facilities for Children and Youth, the Hawaii Addiction Center, the Department of Education, the BabySAFE Council on Chemical Dependency and Pregnancy, the Mental Health Association of Hawai'i, the Children's Mental Health Task Force, the Big Island Substance Abuse Council, the Wai'anae Adolescent Health Network, the Salvation Army Addiction Treatment Service, the Hawaii Public Health Association, the American Friends Service Committee, Hina Mauka, the Coalition For A Drug-Free Hawaii, the Mental Health Coalition, and concerned citizens.

The testimony emphasized that residential treatment services for our most severely emotionally disturbed youngsters are a priority because these services are virtually non-existent in the State of Hawaii. Prevention and early intervention services, such as school-based substance abuse treatment and crisis-homebased services, are also a priority.

Additionally, the testimony indicated that it is crucial to fund programs which allow young, substance-addicted mothers to be treated without forcing them to be separated from their babies. Because Women's Way is the only substance abuse treatment program for chemically-dependent women and drug-exposed infants in the State, it is imperative that this program receive funding.

After careful consideration, your Committee has amended the bill by:

- (1) Appropriating moneys for programs and services as follows:
 - (a) \$153,730 for fiscal year 1991-1992 and \$161,417 for fiscal year 1992-1993 for the expansion of crisis-homebased services statewide;
 - (b) \$700,000 for fiscal year 1991-1992 and \$900,000 for fiscal year 1992-1993 to enable the children's teams of the Department of Health's Child and Adolescent Mental Health Division to provide "wraparound services";
 - (c) \$1,095,000 for fiscal year 1991-1992 and \$1,149,750 for fiscal year 1992-1993 to provide ten secure residential treatment beds for adolescents;
 - (d) \$748,250 for fiscal year 1991-1992 and \$785,663 for fiscal year 1992-1993 for ten open residential treatment beds for adolescents;
 - (e) \$275,928 in fiscal year 1991-1992 and \$275,928 in fiscal year 1992-1993 to continue school-based treatment for adolescents at current levels;
 - (f) \$396,000 for fiscal year 1991-1992 and \$415,800 for fiscal year 1992-1993 to provide adolescent residential treatment on the island of Hawaii;
 - (g) \$239,963 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 for the Salvation Army's Women's Way treatment program;
 - (h) \$255,500 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 for five adolescent residential treatment slots on Oahu;
- (2) Deleting all remaining appropriations; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 265, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 306**Health on H.B. No. 964**

The purpose of this bill is to amend Chapter 329, Hawaii Revised Statutes, as follows:

- (1) To require that an out-patient medical facility which stocks drugs to be used by several physicians register as a clinic and follow regulations regarding the storage, administration, and dispensing of those controlled substances;
- (2) To expand the definition of "administer;"
- (3) To clarify the definition of "practitioner;"
- (4) To conform existing drug schedules to federal law;
- (5) To clarify that licensed and registered health care professionals who administer controlled substances at the direction of a practitioner as the authorized agent of the practitioner are not required to obtain a controlled substance registration;
- (6) To require that a complete and accurate record of all Schedule II controlled substances ordered, administered, prescribed, and dispensed shall be maintained for two years, and that all Schedule II prescriptions be written by the practitioner in duplicate.
- (7) To require that a complete and accurate record of all Schedule III, IV, and V controlled substances administered, prescribed, and dispensed shall be maintained for two years, and that prescriptions for these controlled substances be written on prescription forms separate from prescriptions for noncontrolled substances and be maintained in a pharmacy file separate from noncontrolled drug prescriptions;
- (8) To make it illegal for a practitioner to prescribe or dispense a substance included in Schedule II, III, or IV, for that practitioner's personal use, except in a medical emergency;
- (9) To add regulations for methodone treatment programs in the state;
- (10) To provide penalties for persons who visit more than one practitioner for the purpose of obtaining controlled substances in quantities which exceed the quantity that any single practitioner would have prescribed or dispensed;
- (11) To provide penalties for a registrant, or an employee of a registrant, who is authorized to possess controlled substances, or a person who has access to controlled substances by virtue of the person's employment, who misapplies or diverts to the person's own use or other unauthorized or illegal use, or who takes away with intent to misapply or divert, controlled substances;
- (12) To give protection from civil action or board disciplinary action to practitioners who provide information related to an offense under Sections 329-42(a)(3), 329-42(a)(6), or 329-42(a)(7), Hawaii Revised Statutes;
- (13) To add "anabolic steroid" to Schedule III; and
- (14) To delete the current provisions addressing anabolic steroids.

Your Committee received testimony in support of this bill from the Department of Public Safety and the Hawaii Medical Association.

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

Your Committee on Health is in accord with the intent and purpose of H.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 964, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 307**Health on H.B. No. 719 (Majority)**

The purpose of this bill is to amend Sections 323D-2, 334-1, 338-1, and 626-1, Hawaii Revised Statutes, to broaden the definition of "physician" to include legally authorized practitioners of chiropractic.

Your Committee received testimony in support of this bill from the Hawaii State Chiropractic Association and others. This testimony emphasized that while the bill does broaden the definition of "physician" to include chiropractic practitioners, it does not allow these chiropractic practitioners to practice beyond the scope of their licenses.

The Federation of Physicians and Dentists, the Hawaii Medical Association, the Hawaii Association of Domestic Life Insurers, and a private neurosurgeon testified in opposition to this bill.

Your Committee amended the bill by:

- (1) Deleting amendments to Sections 334-1 and 338-1, Hawaii Revised Statutes, since these sections pertain to areas which are beyond the scope of a chiropractic license;
- (2) Redefining "physician" in Section 323D-2, Hawaii Revised Statutes, to mean a doctor of medicine or osteopathy who is legally authorized to practice medicine and surgery by the State, or a chiropractic physician licensed to practice under Chapter 442, Hawaii Revised Statutes;
- (3) Clarifying in Rule 504 of Section 626-1, Hawaii Revised Statutes, that a physician is a person authorized, or reasonably believed by the patient to be authorized, to practice medicine or chiropractic in any state or nation; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 719, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 308 Health and Water, Land Use and Hawaiian Affairs on H.B. No. 514

The purpose of this bill is to utilize the Aloha Health Corps, strengthen rural health programs, provide funding for the Waianae Diet Program, and to provide funding for the Governor's Pacific Health Promotion and Development Center.

Your Committees heard testimony in favor of the bill from Frenchy DeSoto, Hawaii Dietetic Association, Na Puuwai Inc., Women's Support Group of the Waianae Coast, and the Governor's Pacific Health Promotion and Development Center. The Department of Health indicated that funds should not replace other departmental priorities.

There was great enthusiasm for the Waianae Diet Program, with personal accounts as to its value. In addition, the Committees received an update on the Governor's Pacific Health Promotion and Development Center. Your Committee on Health has included these funds under its ceiling in its recommendations to the Finance Committee.

Your Committees on Health and Water, Land Use and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 514 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 309 Water, Land Use and Hawaiian Affairs and Health on H.B. No. 746

The purpose of this Act is to initiate a preliminary assessment of the health status of residents of the Waianae Coast and the environmental risks in that area. The results of such an assessment should be compiled for presentation to the U.S. Senate's Government Affairs Committee, which has expressed an interest in Waianae's environmental health risks.

Your Committee on Health has included provision for these funds under its ceiling in its recommendations to the Finance Committee.

Your Committees on Water, Land Use and Hawaiian Affairs and Health are in accord with the intent and purpose of H.B. No. 746 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 310 Health on H.B. No. 517

The purpose of this bill is to amend Section 325-16(b), Hawaii Revised Statutes, by providing a definition of "emergency service providers" and adding such persons to the provisions relating to the protection of health care workers through HIV testing of patients; and by providing for a judicial hearing to determine whether an HIV test can be performed in the absence of a patient's informed consent where the patient is capable of giving consent and there is a significant documented exposure of a health care worker or an emergency service provider to blood or bodily fluids capable of transmitting HIV infection.

Your Committee received testimony in support of the bill from the Department of Health, Governor's Committee on AIDS Task Force on Occupational Exposure of Health Care Workers to HIV and HBV, Hawaii Medical Association, and Hemophilia Foundation of Hawaii. The Hawaii Medical Association suggested that it be provided that any appeal of the decision of the judge be conducted within the same rapid time frame in which the hearing is to be conducted.

Other testimony was received in support of the bill, with reluctance, from the Big Island A.I.D.S. Project and the Life Foundation, dba AIDS Foundation of Hawaii. The Life Foundation suggested that the bill be amended to prohibit a judge from being able to order the forcible drawing of blood from a patient.

Testimony in opposition to the bill was received from the Governor's Committee on AIDS, Hawaii Nurses' Association, Maui AIDS Foundation, Hawaii Federation of Physicians & Dentists, and Protection and Advocacy Agency of Hawaii.

The Governor's Committee on AIDS and the Hawaii Nurses' Association both added that the State would be better directed by establishing a state-wide occupational exposure response system for HIV and HBV for health care workers.

The American Civil Liberties Union (ACLU) also testified that they opposed the bill unless their proposed amendment to the bill was adopted. The ACLU suggested that a new paragraph be added to Section 325-16(b)(6), Hawaii Revised Statutes, stating as follows:

- (D) No court shall order an HIV test of a person who refuses to consent to such test unless it first finds by clear and convincing evidence all of the following:
- (i) That there has been a significant documented exposure of the health care worker or emergency provider to blood or bodily fluids capable of transmitting HIV infection;
 - (ii) That the source patient is capable of giving consent;
 - (iii) That the source patient has refused to give consent;
 - (iv) That the source patient has been informed of the existence of the judicial hearing process;
 - (v) That the injury suffered by the health care worker is one that only will be remedied by the requested test; and,
 - (vi) The interests of the health care worker or emergency service provider outweigh the privacy right and right to exercise informed consent of the source patient.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 517 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tom.

SCRep. 311 Health on H.B. No. 1183

The purpose of this bill is to amend Section 321-224, Hawaii Revised Statutes to ensure that all citizens have access to a reliable "911" emergency call system.

Through its application on the island of Oahu, 911 services have proven to be invaluable in the speedy and coordinated response to emergency situations. However, not all counties have a 911 system. Your Committee strongly believes that with the communication technologies available in today's society, a 911 system should be available for all of Hawaii's citizens. 911 is a nationally recognized "call sign" for emergency situations.

Your Committee received testimony from the Department of Health in support of the intent of the bill, but against the intent being placed under Section 321-224, Hawaii Revised Statutes. The Department believes that placing HB 1183 in this Section will require the State to assume the authority for a 911 system. There was no additional testimony presented.

Your Committee believes that current statutes do not place the authority for a 911 system under anyone's jurisdiction. This is a dangerous situation, given the fact that the City and County of Honolulu has testified before the State Supreme Court that they are not legally obligated to respond to 911 calls. Your Committee feels that this bill will respond to these problems and insure that all citizens of Hawaii will begin to have access to a 911 system.

Your Committee has amended Section 1 subsection (1) of the bill to include "aeromedical services" as part of the emergency medical services that the Department of Health must establish throughout the State. This will increase the early response and reliability of the State emergency medical services, especially on the neighbor islands.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1183, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Ige.

SCRep. 312 Energy and Environmental Protection on H.B. No. 1815

The purpose of this bill is to appropriate the sum of \$70,000 to the Office of Environmental Quality Control to support the incorporation of information from Environmental Assessments/Negative Declarations into the Hawaii Environmental Impact Bibliographic Database being developed by the Environmental Center at the University of Hawaii.

Your Committee finds that many actions have been subject to environmental assessments to determine if such proposed actions have negative impacts on the environment. Information contained in these assessments is not readily available in a usable format at the present time for the benefit of government agencies or the public. Your Committee finds that the Environmental Center of the University of Hawaii will be able to create a database of environmental assessment information under contract by the Office of Environmental Quality Control.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1815 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 313 Health on H.B. No. 1685

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public to be used for financing or refinancing of the 160-bed skilled nursing facility of Queen's Health Systems, the Halawa laundry and storage facility of Queen's Health Systems, and other long-term care facilities.

The issuance of tax-exempt, low-interest special purpose revenue bonds has proved to be a popular method of financing health care facilities as it provides significant cost savings. The cost savings realized have benefited providers, consumers, and third-party payers of health care.

Your Committee received testimony in support of this measure from the Queen's Medical Center.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1685 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 314 Health on H.B. No. 628

The purpose of this bill is to amend the definition of "expenditure minimum" in Section 323D, Hawaii Revised Statutes, relating to health planning and health care cost control (1) by eliminating the distinction between new and used equipment and (2) by establishing an "expenditure minimum" (certificate-of-need threshold) of \$1,000,000 for replacement equipment and \$400,000 for medical equipment that is not replacement equipment.

Your Committee received testimony in support of this bill from representatives of the State Health Planning and Development Agency, the Hawaii Statewide Health Coordinating Council, the Hawaii Medical Service Association and from one individual. Representatives of the Community Committee on the State Health Planning and Development Agency and the Health Care Association of Hawaii testified in opposition to this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 315 Education on H.B. No. 1444

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium to implement the Hawaii Opportunity Program in Education (Project HOPE).

The University of Hawaii's Vice President for Student Affairs and the Department of Education submitted testimony in support of the measure.

Your Committee recognizes the urgent need to address the educationally and economically disadvantaged groups in the State. Neglecting to respond to the educational needs of students from this group could cost the State significant loss of income and tax revenues, increased demands for social services, a work force that is ill-prepared to meet the challenging demands of an increasingly complex and technologically-ridden society, increased criminal activity, and lower voter participation.

Your Committee notes that the University of Hawaii has initiated Project HOPE with funds appropriated by the 1990 Legislature which are to be used for university scholarships for disadvantaged youth. Additional funds are needed by the Department of Education and the University of Hawaii to implement Project HOPE beginning with the 1991 third-grade class. Project HOPE students are identified in grade three and special services and monitoring are to be provided so that these at-risk students remain in school and are motivated to attend college.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Inserted the appropriation sums of \$277,440 for each year of the 1991-1993 fiscal biennium for program funds to the University of Hawaii to implement Project HOPE; and
- (2) Inserted the appropriation sums of \$256,173 for each year of the 1991-1993 fiscal biennium for program funds to the Department of Education to implement Project HOPE.

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

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1444, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 316 Transportation and Ocean and Marine Resources on H.B. No. 1034

The purpose of this bill is to amend the powers and duties of the Department of Transportation cited in Section 266-2, Hawaii Revised Statutes to be consistent with the jurisdiction of the department over ocean waters and navigable streams.

Your Committees find that this bill is necessary to correct a 1986 amendment to Section 266-2, Hawaii Revised Statutes which inadvertently deleted the Department of Transportation's jurisdiction over the ocean waters of the State.

Your Committees received testimony from the Department of Transportation.

Your Committees on Transportation and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 1034 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 317 Transportation on H.B. No. 1021

The purpose of this bill is to increase revenues for the State Highway Fund by extending the transfer of the 4 per cent general excise tax on fuel to the State Highway Fund through June, 1997; increasing the fuel tax; raising the annual motor vehicle registration fee; and increasing the vehicular weight tax.

Your Committee finds that the State Highway Fund provides the revenues to carry out the operations, maintenance, and capital improvement programs for our State highways. Revenues for the fund are generated through motor fuel taxes, motor vehicle registration fees, vehicle weight taxes, and other miscellaneous fees.

Your Committee also finds that in the past few years, revenue growth has slowed, while expenditures have continued to increase. The federally mandated fuel conservation requirements have led to lighter, more fuel-efficient cars. This, as well as higher fuel prices, has decreased the growth in fuel consumption, thereby reducing the growth in revenues generated by the fuel tax. At the same time, the cost of operating and maintaining our State's highways has increased.

Your Committee also finds that the public's call for additional facilities and better maintained roadways to help alleviate traffic congestion has placed an additional financial burden on the state highway fund. It is clear that more funds for capital improvements and operating expenditures are needed to meet the public's demands.

Your Committee also finds that in fiscal year 1989-90, 53% of the revenue received by the State Highway Fund was derived from the fuel tax, 19% of the total revenue was earned from the transfer of the general excise tax on gasoline, 14% of the revenue was derived from the vehicle weight tax, and 9% of the revenue was generated from the vehicle registration fee. Your Committee finds that the State Highway Fund is dependent upon the fuel tax as its primary source of revenue. Your Committee also finds that the State Highway Fund should diversify its revenue base to avoid an overdependence on fuel consumption as its main source of revenue.

Your Committee received testimony from the Department of Transportation, the Department of Taxation, the Department of Finance of the City and County of Honolulu, the Hawaii Transportation Association, and the Hawaii Motorcycle Dealer's Association.

Your Committee has amended this bill by:

- (1) Deleting provisions to increase the State fuel tax;
- (2) Increasing the annual motor vehicle registration fee to \$23.00;
- (3) Deleting mopeds from the purview of the annual registration fee;
- (4) Increasing the vehicle weight tax; and
- (5) Implementing a rental motor vehicle surcharge of \$2.00 per day.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1021, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 318 Transportation and Health on H.B. No. 387

The purpose of this bill is to provide statutory guidelines for the issuance of driver's licenses to persons with epilepsy. This bill also modifies the duties of the Medical Advisory Board.

Your Committees find that the State of Hawaii presently does not have statutory guidelines for the issuance of driver's licenses to persons with epilepsy. Your Committees further find that the Medical Advisory Board, which is charged with the responsibility of developing a system for the medical evaluation of persons whom an examiner of drivers has reason to believe has a mental or physical condition which may impair their driving ability, currently uses guidelines published by

the Department of Transportation, National Highway Traffic Safety Administration. These guidelines recommend a one year seizure free period prior to the issuance of a driver's license.

Your Committees find that research is available which may support the establishment of a seizure free period prior to the issuance of a driver's license which is less than that suggested by the National Highway Traffic Safety Administration. Your Committee also finds that a neurologist is most qualified to determine the capabilities of a person afflicted with epilepsy.

Your Committees received testimony from Congressman Neil Abercrombie, the Department of Transportation, the Medical Advisory Board of the Department of Transportation, and the Epilepsy Foundation of Hawaii.

Your Committees have amended this bill by deleting the guidelines for the issuance of driver's licenses to persons with epilepsy. Your Committees have further amended this bill by adding a neurologist to the Medical Advisory Board. It is the intent of your Committees to allow the Medical Advisory Board the opportunity to evaluate the feasibility of modifying the duration of the seizure free period prior to the issuance of a driver's license.

Your Committees on Transportation and Health are in accord with the intent and purpose of H.B. No. 387, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 387, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Tom.

SCRep. 319 Health on H.B. No. 2157

The purpose of this bill, as received by your Committee, is to establish a utilization review and managed care system to review the appropriate allocation of hospital, medical, or other care services given to a patient for the purpose of determining whether such services should be reimbursed, covered, or provided by an insurer, plan, or other entity.

Your Committee received testimony from the Department of Health, Hawaii Medical Service Association, Hawaii Psychiatric Medical Association, a psychiatric patient, Hawaii Medical Association, Hawaii Psychological Association, Pacific Institute of Behavioral Medicine, and the Hawaii Dental Service.

After much deliberation, a consensus was reached between all parties involved to create a coordinated HD1

Your Committee has amended the bill by:

- (1) limiting provisions of the bill to mental health, alcohol or drug treatment services;
- (2) eliminating the bill's suggested certification process and substituting the development of administrative rules by the Department of Health that establish standards for utilization review or managed care in mental health, alcohol or drug abuse treatment areas;
- (3) having the Department establish a complaint resolution panel which would review the conduct of utilization review and managed care review agents for mental health, alcohol or drug abuse treatment services.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2157, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative M. Ige.

SCRep. 320 Health and Judiciary on H.B. No. 518

The purpose of this bill, as received by your Committees, is to establish a human immunodeficiency virus/hepatitis B virus (HIV/HBV) occupational exposure emergency response program.

Testimony was presented in favor of the bill from the Department of Health, Governor's Committee on AIDS, Hawaii Medical Association, Healthcare Association, Hemophilia Foundation of Hawaii, Life Foundation, Big Island AIDS Project and the Hawaii Nurses' Association. No testimony in opposition to the bill was presented.

The Department of Health proposed amendments to the bill to reduce the time allowed for immediate response, which was received favorably by each party that testified. Your Committees have accepted the Department's amendments, and included rule making authority for the Department regarding the emergency response program. In addition, the FY 1991-1992 funding was reduced to \$100,000, and the FY 1992-1993 funding was removed.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 518, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 518, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 321 Health on H.B. No. 1493

The purpose of this bill is to add a new section to Chapter 323, Hawaii Revised Statutes, to allow health care facilities, including acute care hospitals, to provide psychological services, admit psychologists to membership on their medical or other professional staffs, and grant psychologists clinical and staff privileges to perform inpatient and outpatient services within the scope of their licenses.

Your Committee heard testimony in support of this bill from psychologists, including representatives of the Hawaii Psychological Association. Among the reasons given in support of the bill, it was pointed out that the bill would give a consumer the same freedom of choice of treatment in a hospital setting that the consumer would have outside of the hospital setting and that hospital practice for psychologists has been successfully legislated and implemented in other states.

Your Committee received testimony from the Hawaii Medical Association opposing the bill on the basis that it may set precedent for the Legislature to prescribe to health care facilities what professions they must admit to their professional or medical staffs.

Your Committee has made a technical, nonsubstantive amendment to the bill to clarify the language of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1493 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1493, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 322 Health on H.B. No. 2105

The purpose of this bill is to create a two-year pilot financial assistance program, to be administered by the Department of Health, to help HIV seropositive persons with limited income maintain their private health insurance under COBRA. The program would provide funding for the payment of the private health insurance premiums. The bill also appropriates \$200,000 for fiscal year 1991-1992, and \$200,000 for fiscal year 1992-1993, to carry out the purposes of the bill, including the hiring of necessary staff.

The Department of Health (DOH) testified that, although the DOH supported the intent of this measure, the DOH would recommend that the measure be deferred at this time because of current budget limitations. The DOH suggested that further analysis of this proposal be conducted since recent changes to the Medicaid law might allow such a program to be funded through Medicaid.

Testimony in support of the bill was received from the Life Foundation, dba AIDS Foundation of Hawaii, Maui AIDS Foundation, Big Island A.I.D.S. Project, Governor's Committee on AIDS, Hawaii Nurses' Association, and Hawaii Public Health Association. The testimony included statements that HIV positive employees leave employment because of health problems caused by the virus and, when unemployed, these individuals cannot afford to pay for continued group private health insurance under COBRA, causing them to seek medical assistance under Medicaid; that eligibility for Medicaid requires that such individuals lead impoverished lives; that medical care providers are more receptive to caring for individuals who have private health insurance; that it is more cost-effective for the State to pay for the premiums instead of paying Medicaid costs for these individuals; and that other states have implemented similar programs and have found the programs to be cost-effective.

The Hawaii Nurses' Association recommended that the program be expanded to include other individuals, such as substance abusers in recovery and individuals with active hepatitis B, who need assistance with their COBRA payments.

The Hawaii Public Health Association suggested that the bill be amended to raise the income eligibility level to be consistent with the income eligibility requirement for the State Health Insurance Program, and that the program be expanded to include HIV positive individuals who are not eligible for COBRA because COBRA provisions only apply to employers with 20 or more employees.

Your Committee finds that this program would create a winning situation for both the individual and the State. The individual would be able to maintain good health coverage and the State would save money on Medicaid costs.

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

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2105, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 323 Consumer Protection and Commerce on H.B. No. 814

The purpose of this bill is to amend chapters 235, 237 and 431, Hawaii Revised Statutes, in order to tax insurance companies in the same manner as other businesses in Hawaii by repealing the insurance premium tax together with the exemptions for insurance companies from the general excise tax and the net income tax. Current law gives domestic insurance companies preferential tax treatment over foreign insurers.

The preferential rates are currently being challenged on constitutional grounds, and over \$90 million is in escrow until the litigation can be resolved. The Legislature has wrestled with this issue for several years and last year, passed a bill

subsequently vetoed by the Governor. During this legislative session three bills, H.B. 2174, HD 1, H.B. 1106, HD 1, and this bill were heard by your Committee, all dealing with the insurance premium tax issue. Your Committee is recommending all three bills to the Committee on Finance to afford affected parties an opportunity for further dialogue and consideration of the concepts and approaches contained in these measures. It is hoped that a consensus will arise leading to a resolution of this issue.

Your Committee heard testimony in support of this bill from the Department of Taxation and the Department of Commerce and Consumer Affairs. The Hawaii Domestic Insurers Tax Committee, the American Council of Life Insurance, the Hawaii Independent Insurance Agents Association, the Hawaii Domestic Preference Insurance Legislative Group testified in opposition to this bill.

H.B. 814 would eliminate the current insurance premium tax program, subject insurance premiums to the four per cent (4%) general excise tax, and subject income from the premiums to Hawaii's corporate taxes via Sections 235-271 of Hawaii Revised Statutes.

Insurance companies are wholly exempt from both the general excise tax and the net income tax on income received from premiums or other income, such as income from real estate or lending activities. With respect to income from premiums, insurance companies now pay a preferential insurance premium tax in lieu of the four per cent (4%) general excise tax. In addition to being lower than the combined general excise tax and net income tax, the insurance premium tax has been subject to constitutional attack, and fifty-five insurance companies have brought suit against Hawaii's current tax structure. In essence, the present tax structure treats local companies differently than those based in other states.

This bill would equalize treatment of all insurance companies. To do so, Chapter 431, Article 7, Part II, H.R.S. is repealed (this relates to the gross premiums tax on insurance companies). The bill adds a new section to Chapter 235, H.R.S. making Internal Revenue Code Sections 801 to 848 operative for purposes of the Hawaii income tax, except that the rates in effect under sections 235-71 and 235-71.5 are applicable.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 814 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 324 Consumer Protection and Commerce on H.B. No. 382

The purpose of this bill is to deposit fees collected from cable television franchise holders into a public broadcasting revolving fund. The fund would be administered by the Hawaii Public Broadcast Authority (HPBA), and not by the Department of Commerce and Consumer Affairs, Cable Television Division.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, the Director of Information Technology, the office of the Maui District Superintendent, and the Educational Specialist of the Department of Education, Hawaii State AFL-CIO, and the Hawaii Public Broadcasting Authority (HPBA).

Currently the fees collected under the Hawaii Cable Communications Systems Law, Chapter 440G, Hawaii Revised Statutes, are used both to administer O'lelo and to offset the costs of regulating Hawaii's cable companies. Although cable companies may be charged a maximum of five per cent (5%) of their gross revenues under current federal law, the state is currently charging approximately three and a half per cent (3.5%). On Oahu, approximately one half of a per cent (0.5%) is used by Department of Commerce and Consumer Affairs, Cable Television Division to administer the cable programs, and approximately three per cent (3%) goes directly to O'lelo, the Corporation for Community Television.

Your Committee believes that the Hawaii Public Broadcasting Authority, which is facing substantial funding cuts, provides important educational programs for the community, and, as such, should be assisted. However, your Committee is also aware of O'lelo's funding needs and does not wish to fund HPBA at O'lelo's expense. Therefore, your Committee has amended this bill to increase the fees received. An additional one per cent (1%) of the gross revenues of each cable operator shall be collected for the benefit of Hawaii Public Broadcasting Authority. Funds to other public access programming (O'lelo) will not be affected. This amended bill will thus raise the fees to approximately four and a half per cent (4.5%).

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 382, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 325 Consumer Protection and Commerce on H.B. No. 812

The primary purposes of this administration bill are to amend section 235-68, Hawaii Revised Statutes, by decreasing the amount of withholding required upon the disposition of Hawaii real property from nine per cent (9%) to seven and a quarter per cent (7.25%) of the amount realized and to provide that the transferor may apply for a withholding certificate if the transferor will not realize any gain with respect to the transfer, or if there will be insufficient proceeds to pay the withholding after payment of all costs.

The Department of Taxation testified in support of this bill, and the Chamber of Commerce, the Tax Foundation, and the Hawaii Association of Realtors presented supporting testimony as well. Two military persons presented testimony

suggesting amending the bill, to exempt military personnel, noting that because of the transitory nature of military postings, most military personnel become non-residents, and cannot roll over any capital gains within Hawaii

Presently, section 235-68, HRS, provides for the withholding of a tax equal to nine per cent (9%) of the amount realized on the disposition of Hawaii real property by a non-resident person. The bill decreases the amount required to be withheld from nine per cent (9%) to seven and a quarter per cent (7.25%). The reduction was requested because the current statute taxes the gross sale amount, not just the capital gain. This resulted in the necessity for recalculation of the tax by all sellers, and rebates by the Department of Taxation.

In addition to the changes already noted, the bill also provides that the withholding of tax is not required if the transferor furnishes to the transferee an affidavit stating that for the year preceding the date of the transfer the property has been used by the transferor as a principal residence and that the amount realized for the property does not exceed \$300,000.

The bill includes within the definition of "resident person" any foreign corporation or partnership authorized to transact business in Hawaii, as well as resident corporations. The bill includes the State and the counties and their respective subdivisions, agencies, authorities, and boards in the definition of a "transferee."

Finally, the bill allows the department to enter into written agreements with persons for whom meeting the withholding requirements are not practicable, and allows the department to agree to the use of a method other than that required by the law to withhold or to waive the withholding requirement.

Your Committee amended this bill to reduce the withholding tax to five per cent (5%) having been informed that a five per cent (5%) withholding tax is in accord with the actual gains realized in most instances and thus, a more realistic figure. Your Committee further amended this bill to include foreign partnerships authorized to do business in Hawaii within the definition of "resident person."

Technical, non-substantive amendments were also incorporated. Your Committee declines to amend this bill to exempt military personnel from this bill, because there are other more appropriate vehicles for such amendments.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 812, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

**SCRep. 326 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on
H.B. No. 809**

The purpose of this administrative bill is to allow general contractors to claim the general excise subcontract deduction for payments made to foreign subcontractors who cannot be required to be licensed by the Department of Commerce and Consumer Affairs pursuant to section 444-9, Hawaii Revised Statutes, because they perform services exclusively on federal property.

Your Committees heard testimony on this bill from the Department of Taxation, the Subcontractors Association of Hawaii, and the Building Industry Association of Hawaii.

At present, general contractors must pay four per cent (4%) general excise tax on all work they contract to do. For purposes of the amount on which they pay the four per cent (4%) tax, they can deduct the amount that they subcontract to a licensed subcontractor, but they cannot deduct the amount paid to a foreign, non-Hawaii licensed subcontractor.

For example, a general contractor contracts for a \$1,000 job, and subcontracts half of it. The general contractor must pay four per cent (4%) excise tax. If the half that is subcontracted goes to a local, licensed subcontractor the general contractor may pay excise tax on the \$500.00 work that he himself does (\$20.00 tax) and deduct the other \$500.00, because the licensed subcontractor is responsible for paying the other \$20.00 excise tax due. However, if the general contractor subcontracts to a foreign subcontractor, he cannot deduct that from the amount that must be paid because that subcontractor is not licensed in Hawaii. He must pay excise tax on the entire \$1,000.00 (\$40.00). Yet the subcontractor is responsible for the excise tax on their portion and must pay the excise tax on his or her \$500.00 also (\$20.00).

There are two disadvantages. The tax gets paid twice on the subcontracted amount, which is not the State's intention. Secondly, the Attorney General is concerned because the State of Hawaii cannot force foreign subcontractors who work only on federal projects to be licensed in Hawaii. Yet the current law discriminates against those foreign subcontractors in that general contractors in Hawaii gain an advantage by hiring local, licensed subcontractors and not paying the excise tax on that \$500.00. This provision eliminates that possible discrimination and potential unconstitutional result by allowing general contractors to claim the subcontractor's deduction for both local and foreign subcontractors. It is worth noting that it applies only to the very narrow class of non-Hawaii licensed subcontractors working on federal projects.

Your Committees on Consumer Protection and Commerce and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 809 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 327 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on H.B. No. 1517

The purpose of this bill is to transfer proportionately among the counties the amount of the taxes paid by the public service companies in excess of four percent to each tax district in which the taxes were received.

The City and County of Honolulu, the Mayor of Kauai, the Kauai County Council Chair, GTE Hawaiian Telephone, Hawaiian Electric Industries, and the Chair of the Waipahu Neighborhood Board testified in favor of this bill. The Department of Taxation testified against this measure, citing its position that public utilities should be taxed as other corporate entities and thus be subject to the general excise and real property taxes.

Proponents of this measure pointed out that the Public Service Company (PSC) tax is paid by the public utilities in lieu of the payment of either real property taxes or the general excise tax. These testifiers felt that it was appropriate that the counties receive a portion of the PSC tax since it was established in part, in place of the real property taxes, which accrue to the counties.

If a portion of the PSC tax is not transferred to the counties, the alternative is to begin collecting real property taxes from assessments on land owned by the utilities. However, a burdensome and administratively overwhelming undertaking is required to effect the collection of real property taxes, because of the amount of property held by the utilities which includes many separate easements that need to be assessed. The different testimony pointed out that a much smaller administrative burdenn would be required to effect the transfer of the PSC tax revenues to the counties.

Your Committees on Consumer Protection and Commerce and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1517 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hashimoto, Yonamine and Yoshimura.

SCRep. 328 Consumer Protection and Commerce on H.B. No. 1991

The purpose of this bill was to establish an office of the insurance consumer advocate to represent consumer interests.

Your Committee heard supporting testimony from the Hawaii Academy of Plaintiffs' Attorneys. Opposing testimony was presented by the Hawaii Insurers Council and the Hawaii Independent Insurance Agents Association.

Your Committee amended this bill after hearing the concerns of all parties and in view of the fact that it is abundantly clear to your Committee that many, if not most, insureds have little understanding of insurance policies and insurance provisions. The State Insurance Commissioner informed your Committee that he receives thousands of calls every year from insureds with various insurance questions and sees a definite need for more consumer information and education in the insurance area. Consumer information and education undertaken by his office has been on an ad hoc basis. Therefore, your Committee has amended this bill to establish an insurance consumer education specialist and secretary to provide education and information for consumers. The informational specialist will publish informational materials, particularly in the area of no-fault motor vehicle insurance, respond to consumer inquiries, make presentations to consumer groups regarding insurance, as well as engage in other consumer education efforts as deemed appropriate. The bill was further amended to provide funding for these positions and publications.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1991, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 329 Consumer Protection and Commerce on H.B. No. 1120

The purpose of this bill is to establish a special fund for consumer protection activities. The money in the fund would be derived from civil penalties, attorney's fees, court costs, and reimbursements for costs of investigations collected by the Office of Consumer Protection and Commerce in actions to enforce violations of consumer protection laws.

Your Committee received testimony on this measure from the Department of Commerce and Consumer Affairs, which had supported this measure in the past.

Your Committee believes that the bill supports the interests of the consumers and the fund will be used solely for activities related to consumer protection. Further, the fund is limited to \$100,000, the excess going into the General Fund.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1120 and recommends that it be referred to the the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 330 Consumer Protection and Commerce on H.B. No. 1999

The purpose of this bill is to create an insurance fraud unit administered by the Insurance Division of the Department of Commerce and Consumer Affairs.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs and the Hawaii Insurers Council.

H.B. 1999, based on model legislation developed by the National Association of Insurance Commissioners, proposes to create an insurance fraud unit under the Insurance Division of the Department of Commerce and Consumer Affairs. The unit will investigate specifically prohibited activities including fraudulent applications for insurance, false claims, concealment of material information and obtaining insurance for vehicles or items not owned by the application, and fraudulent practices by the insurance industry.

The insurance fraud unit would refer violations of the law to the appropriate authority for prosecution. The bill provides that funding for the unit will be through an annual assessment of \$500.00 from each authorized insurance company.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1999 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 331 Consumer Protection and Commerce on H.B. No. 821

The purposes of this administration bill are to clarify obsolete provisions in section 26-9, Hawaii Revised Statutes, regarding fees and licensing boards and to establish certain limited delegated authority to executive secretaries of the boards and commissions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA).

Your Committee has amended this bill to reflect two amendments that were inadvertently left out of the bill, as well as other technical, non-substantive amendments.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 821, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 332 Consumer Protection and Commerce on H.B. No. 2174

The purpose of this bill is to replace preferential tax rates given to Hawaii insurance companies with a single insurance premium tax rate for all domestic and foreign insurers. This bill also provides tax credits for eligible insurers who comply with certain requirements.

Your Committee heard testimony from the Department of Taxation, the Department of Commerce and Consumer Affairs, the Hawaii Domestic Preference Legislative Groups, and the Hawaii Domestic Insurers Tax Committee.

The preferential rates are currently being challenged on constitutional grounds, and over \$90 million is in escrow until the litigation can be resolved. The Legislature has wrestled with this issue for several years and last year, passed a bill subsequently vetoed by the Governor. During this legislative session three bills, H.B. 814, H.B. 1106, HD 1, and this bill were heard by your Committee, all dealing with the insurance premium tax issue. Your Committee is recommending all three bills to the Committee on Finance to afford affected parties an opportunity for further dialogue and consideration of the concepts and approaches contained in these measures. It is hoped that a consensus will arise leading to a resolution of this issue.

Under current law, the State imposes a tax on the gross premium income generated by insurance companies doing business in Hawaii. The tax rates depend on the type of insurance and the State in which the insurance company is incorporated. Presently, foreign insurers are taxed at a higher rate than domestic insurers on both life (3.197 per cent vs. 1.918 per cent) and non-life (4.2824 per cent vs. 2.9647 per cent) insurance lines.

This bill proposes to tax all authorized insurers at the same rates: 3.2 per cent for life insurance contracts, 4.3 per cent for non-life insurance contracts, and 0.8775 per cent on the gross underwriting profit of ocean marine insurance contracts.

The bill also provides for the allowance of credits against those taxes to any authorized insurer that has a designated employee residing in Hawaii who is responsible for its insurance operations in the State, and annual gross premiums of at least \$250,000 received from all risks or property resident, situated, or located in Hawaii. These credits include:

- (1) Contributions made to the State Unemployment Compensation Fund, and for workers' compensation insurance, and to temporary disability insurance;
- (2) Contributions to a group life insurance plan and a stock bonus, pension, profit-sharing, or annuity plan; and

- (3) Contributions made under the Federal Insurance Contributors Act of 1986 (FICA) paid by the insurer for its employees working in the State.

The tax credit is not to exceed 1.2 per cent of the gross premiums in any year.

The bill also provides for the payment of taxes for insurers whose annual tax liability for the preceding calendar year was more than \$1,000 from a monthly to quarterly basis.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2174, HD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 333 Consumer Protection and Commerce on H.B. No. 1141

The purpose of this bill is to ensure the provision of accessible, first-rate health care in rural areas by subsidizing malpractice insurance payments for certain providers of pre-natal and obstetric care in rural areas.

Your Committee heard supporting testimony from John C. Lewin, Director of Health, the Chief Executive Officer of Kahuku Hospital, Dr. James Lyons of Kahuku Hospital, the Hawaii Medical Association, and Dr. Randall Suzuka.

There is a problem with access to care in rural areas in Hawaii and the high cost of malpractice insurance compounds this problem. Insurance premiums for obstetric medicine are approximately \$51,000 annually. Without aid for malpractice insurance premiums, many rural health care providers will discontinue providing pre-natal and obstetric care.

This bill appropriates funds to be expended by the Department of Health for subsidy payments covering the medical and liability insurance premiums of obstetric and pre-natal care providers.

Your Committee amended this bill to decrease the appropriation to \$300,000, and to require that all recipients of the subsidies be licensed by and practicing in the State of Hawaii.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1141, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 334 Consumer Protection and Commerce on H.B. No. 1106

The purposes of this bill are to repeal the existing insurance premium tax provisions which give amending chapter 431, Hawaii Revised Statutes, that domestic and foreign insurers are taxed equally, and to permit tax credits for eligible insurers.

The preferential rates are currently being challenged on constitutional grounds, and over \$90 million is in escrow until the litigation can be resolved. The Legislature has wrestled with this issue for several years and last year, passed a bill subsequently vetoed by the Governor. During this legislative session three bills, H.B. 814, H.B. 2174, HD 1, and this bill were heard by your Committee, all dealing with the insurance premium tax issue. Your Committee is recommending all three bills to the Committee on Finance to afford affected parties an opportunity for further dialogue and consideration of the concepts and approaches contained in these measures. It is hoped that a consensus will arise leading to a resolution of this issue.

Your Committee heard testimony on this bill from a number of groups including the Department of Taxation, Department of Commerce and Consumer Affairs, Hawaii Domestic Insurers Tax Committee, and Hawaii Domestic Preference Legislative Group.

The domestic insurance company representatives testified that under present law, Hawaii imposes a tax on the gross premium income of Hawaii generated business of authorized insurance companies. The tax rates depend on the type of insurance sold as well as the state of incorporation of the insurance company. Foreign insurers are taxed a higher rate and there has been considerable litigation on this issue.

This bill proposes that each authorized insurer (except life insurance contracts, ocean marine insurance contracts, and title insurance contracts) will pay a 4.2 per cent tax on all gross premiums received. Life insurance contracts will be subject to a 3.2 per cent tax, and ocean marine insurance contracts will pay a .8775 per cent tax on gross underwriting profit. The bill also taxes title insurance contracts, previously not taxed, at the rate of 4.2824 per cent.

The bill provides that insurers whose annual tax liability for the preceding calendar year was more than \$1,000 are to pay their taxes on a calendar quarterly basis. Insurers whose annual tax liability for the preceding calendar year was less than \$1,000 shall pay the tax due on March 15.

The bill also provides tax credits for:

- (1) Contributions made by the insurer or its affiliate to the State unemployment compensation fund under chapter 383 and 385, Hawaii Revised Statutes;

- (2) Premiums paid for workers' compensation insurance under chapter 386, Hawaii Revised Statutes;
- (3) Premiums paid to the temporary disability insurance under chapter 392, Hawaii Revised Statutes;
- (4) Contributions to a group life insurance plan meeting the requirements of chapter 431, Hawaii Revised Statutes;
- (5) Contributions relating to employees in Hawaii made under the Federal Insurance Contributions Act of 1954 (FICA); and
- (6) Fees relating to examinations conducted by the insurance commissioner.

The tax credits are allowed to insurers and affiliates who maintain their books and records, officers and personnel responsible for the insurer's underwriting, policy issuance, and servicing operations relating to Hawaii policyholders in the State. The insurers seeking the tax credits are to apply to the insurance commissioner for approval of the tax credits before April 15 of calendar year following the calendar year for which the insurer is seeking the tax credits.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1106, HD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 335 Judiciary on H.B. No. 1890

The purpose of this bill is to provide appropriations to various agencies to combat substance abuse in three areas: education, law enforcement and treatment.

Your Committee received testimonies from the Department of the Attorney General, the Judiciary, the Department of Public Safety and the Department of Health and found them to be persuasive.

Your Committee agrees that in order to address the complex problem of substance abuse, it is imperative that a comprehensive approach be designed and implemented that includes education, law enforcement and treatment.

You Committee has amended this bill by:

- (1) Deleting the appropriation in Section 2 regarding the automatic fingerprint identification system. Your Committee does not find the fingerprinting of juveniles to be appropriate.
- (2) Inserting \$1.00 for each appropriation requested.
- (3) Adding another appropriation item in Section 6 between items numbered 6 and 7 and the subsequent appropriation items were renumbered. The added appropriation is to fund additional costs incurred by private health insurance providers due to mandated reporting requirements of substance abuse treatment statistics.
- (4) In Section 4, a technical nonsubstantive correction was made.
- (5) "Fiscal year 1991-1992" in Sections 2,4,6,8,10,12,14,16,18,20 and 22 was changed to "fiscal years 1991-1992 and 1992-1993".
- (6) In Section 11 "department of human services" was changed to "department of personnel services".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1890, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1890, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 336 Judiciary on H.B. No. 1091

The purpose of this bill is to appropriate funds to build a covered guard house to house the security guards on duty at the back gate of Washington Place on Miller Street.

Your Committee received testimony from the Department of Public Safety and security guards assigned to guard the back gate of Washington Place. The foregoing witnesses expressed concern that during inclement weather, the security guards on duty are subjected to heavy rains and during the summer months, sometimes unbearable heat, which may adversely affect their health.

Your Committee recognizes the need for a covered guard house to protect these dedicated security guards from adverse health conditions. For the purposes of continued discussion regarding the subject measure your Committee has amended this bill to insert the sum of \$1 in the appropriation section. However, the full funding of this project has been included in this Committee's budget recommendations to the House Finance Committee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1091, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 337 Judiciary on H.B. No. 1950

The purpose of this bill is to upgrade the telecommunications system of the Honolulu Police Department to enhance public and police officer safety.

Your Committee received favorable testimony from the State Attorney General, prosecutors, police chiefs of the City and County of Honolulu, and the Counties of Hawaii, Kauai and Maui, and the State of Hawaii Organization of Police Officers.

Your Committee recognizes that the present communications system is antiquated, overloaded, and cumbersome to operate. The Honolulu Police department testified that they experienced problems securing communication with the base because of the peaks and valleys of the topography and the cement and iron contained in highrises interfering with the radio waves, posing a danger to the officers and community. With the overall growth of the population and visitors to Hawaii and the ever increasing number of calls for police assistance via the E-911 emergency telephone system, the present system is ineffective to ensure the safety of the police officers and the public. Your Committee finds that there is a critical need to upgrade the current police telecommunications system.

For the purpose of further discussion, your Committee has amended this bill to insert the sum of \$1 for each appropriation section.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1950, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 338 Judiciary on H.B. No. 1301

The purpose of this bill is to appropriate monies for:

- (1) The restoration/renovation of the Waikiki War Memorial Natatorium (Natatorium); and
- (2) The plans, design, and construction of a park at the Natatorium site.

The park and the Natatorium would serve as a commemoration to those soldiers from Hawaii who gave their lives in all wars, including those currently serving in the Persian Gulf.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee has amended this bill by appropriating \$1 for the renovation of the Natatorium and \$1 for the construction of the park. The amounts were appropriated for purposes of continued discussion.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1301, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 339 Judiciary on H.B. No. 610

The purpose of this bill is to:

- (1) Amend Chapter 76, Hawaii Revised Statutes (HRS), by exempting the deputy administrative director of the courts position from civil service status; and
- (2) Amend Chapter 601, HRS, by allowing the administrative director of the courts to appoint the deputy administrative director and such assistants without regard to Chapters 76 and 77, HRS.

Testimony in support of this measure was submitted by the Judiciary.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 610, HD 1, and be referred to the Committee on Finance.

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

SCRep. 340 Judiciary on H.B. No. 1888

The purpose of this bill is to assess persons convicted of drug distribution offenses a monetary penalty in order to help fund drug treatment and drug prevention and education programs.

Your Committee received testimony from the Department of the Attorney General supporting this bill and testimony in opposition from the Office of the Public Defender and the American Civil Liberties Union. Your Committee agrees with the Attorney General that with the increasing cost of drug treatment, prevention, and education programs, it is appropriate to assess the cost of these programs to the people who create the need for them: those who distribute drugs. The cash penalties provided for the bill would be assessed apart from any fine or other costs, deposited into a special fund, and appropriated by the Legislature to programs designed to reduce the demand for drugs.

Your Committee has amended this bill by adding subsection (3) on page 2 in order to allow restitution to take priority over imposition of these fines. Subsection (4) has been added to address the problem of indigent persons and subsection (5) was added to ensure that the general fund is not deprived of revenues generated by ordinary fines.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1888, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1888, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 341 Judiciary on H.B. No. 1643

The purpose of this bill is to include active-duty military personnel serving in the Persian Gulf in tax payment deferral.

Your Committee feels that those serving in the Persian Gulf may experience hardships in filing income tax returns. Currently, the Hawaii Revised Statutes waive late filing penalties for persons in military service experiencing certain hardships. This bill would include those serving as part of the operation desert storm the same waiver.

Your Committee has amended this bill by adding Section 3 which would specify the beginning and ending date of an individual's deployment. Technical nonsubstantive amendments have also been made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1643, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 342 Judiciary on H.B. No. 965

Your Committee finds the purposes of H.B. 965 are as follows:

- 1) To increase the maximum compensation of the commissioners.
- 2) To clarify that decisions can be signed by any commissioner in the absence of the Chair.
- 3) To require victims to cooperate with the police and prosecutors in the apprehension and prosecution of the offender.
- 4) To limit the period in which good cause can be applied for the late filing of claims.

Your Committee received testimony in support of the measure from the Department of Public Safety.

Your Committee has amended this measure by deleting Section 1 relating to placing the commission within the Department of Public Safety as this amendment is already reflected in the Hawaii Revised Statutes. Accordingly, the remaining sections of the bill were renumbered.

Due to the increase in the workload of the Criminal Injuries Compensation Commission, your Committee finds that an increase in the annual maximum compensation is appropriate to allow the commissioners to continue to conduct hearings to determine eligibility of benefits.

Your Committee also finds an amendment is necessary to allow a second person to sign decisions because situations have occurred when the Chair has been unable to attend meetings for an extended period. This caused undue delay in notifying victims of the commission's decisions.

Your Committee agrees with the commission's testimony that it is essential for the crime victim to cooperate fully with police and prosecutors in the apprehension and prosecution of the offender. The commission has found that many victims do not cooperate in the criminal justice process, but still look to the State for relief. This amendment would allow the commission to deny or reduce compensation based on the extent of cooperation.

Your Committee feels that commission should not have to consider applications filed more than thirty months after the date of injury, death, or property damage and has amended the bill accordingly.

Your Committee has amended section 6 of this bill to clarify that the \$30,000 appropriation is to be divided evenly by appropriating \$15,000 to years 1991-1992 and 1992-1993.

Additionally, technical, nonsubstantive amendments have been made on page 6, lines 13 to 15 for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 965, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 965, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 343 Energy and Environmental Protection and Higher Education and the Arts on H.B. No. 489

The purpose of this bill is to appropriate funds for the development of a biomass energy farm on Molokai.

Your Committees find that the State's biomass to energy test program has identified a high yield species as an alternate renewable energy resource that can reduce Hawaii's dependency on imported oil for transportation fuel in the future. However, for commercial production to occur, a biomass energy farm must be established. Your Committees find, in addition to a resource for alternate energy, that this enterprise will bolster economy, create new jobs, improve the environment, and have a positive effect on the State's trade balance.

Your Committees have amended this bill by reducing the appropriation to \$1 for fiscal years 1991-92 and 1992-93 for the purpose of making a more accurate determination of the costs at a later date.

Your Committees have also amended this bill by changing the expending agency from the Governor's Advisory Council Committee to the more appropriate Governor's Agricultural Coordinating Committee.

Your Committees on Energy and Environmental Protection and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 489, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 489, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 344 Judiciary on H.B. No. 2041

The purpose of this bill is to require the State and authorize the counties to make up the difference between military and civilian pay and to extend medical benefits to family members while a state employee is on active military duty.

Your Committee has received testimonies from the State Department of Personnel Services and the City and County Department of Civil Service. Your Committee finds that government employees should be made "monetarily whole" when called to extended active duty in order to ease the employee's financial strain.

However, your Committee is concerned that an employee could be on active duty even though there is no conflict. Your Committee has therefore amended this bill by adding subsection (d) which defines the term "active duty" to mean activation for military conflicts declared by the United States Congress to be "war". Notwithstanding the current fiscal condition, your Committee finds this measure to contain merit and warrants further consideration.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2041, HD 1, and be referred to the Committee on Finance.

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

SCRep. 345 Judiciary on H.B. No. 362

The purpose of this bill is to remove the prohibition against tort suits between spouses to more fairly and equitably protect married persons.

Your Committee has received favorable testimony from the Hawaii State Commission on the Status of Women, Domestic Violence Legal Hotline, family law attorneys engaged in private practice and Hawaii Women Lawyers. All the foregoing witnesses expressed concern that spouses are inequitably protected in comparison to unmarried persons under circumstances where the unmarried person can bring suit to recover for damages against the unmarried person's partner but the married spouse is prevented from bringing suit. However, your Committee expressed concern that allowing a married person to bring legal action against that person's spouse would have an adverse impact on matters such as

insurance collusion, interspousal evidentiary privileges, estate and trust, and negligence actions creating a number of unresolved legal issues.

Therefore, your Committee has amended this bill by deleting the substance of this measure and inserting instead a provision providing for an appropriation for a study to determine the effects of allowing a married person to bring legal action against the person's spouse.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 362, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 346 Judiciary on H.B. No. 598

The purpose of this bill is to appropriate funds for the Judiciary of the State of Hawaii for the 1991-1993 fiscal biennium.

GENERAL OBSERVATIONS

At the outset, your Committee wishes to note that in reviewing the overall requested expenditure levels, your members were cognizant of recent revenue projections made by the Council on Revenues and day-to-day reports documenting the decline in the State's revenue forecast resulting from military activities in the Persian Gulf.

Your Committee has endeavored to evaluate program needs through an exhaustive investigation of facts and figures. On the basis of this collected effort, an attempt was made to establish responsible appropriations while meeting the significant needs of the people of this State.

Your Committee finds that those submitting budget requests should be cognizant that full justification should be provided to the Committee to expedite decision making.

Your Committee finds the Judiciary requests for funds should contain such basic information as:

- (1) The organization's current staffing level;
- (2) Workload or caseload statistics;
- (3) Cost analysis;
- (4) Alternatives considered; and
- (5) The impact on the effectiveness of the organization.

Your Committee believes that these are not unreasonable requirements as they are the basis for good and sound decision making.

Balancing the need for fiscal austerity and maintaining an efficient, unified, and independent state judicial which meets the myriad of needs of an ever-changing and dynamic society was challenging.

Overall, the Judiciary fared quite well during this fiscally conservative time. Programs were neither drastically reduced or eliminated entirely. Necessary services will not be compromised. However, the initial budget requested by the Judiciary was reduced by 1.77% in the first year and 2.91% in the second year of the fiscal biennium.

Your Committee will now proceed to discuss specific policies, noteworthy items, and innovations included in the Judiciary budget.

TELECOMMUNICATIONS AND INFORMATION SERVICES

The current emphasis in judicial systems nationwide is on the effective, timely, and fair disposition of disputes which are properly before the courts. Relatedly, it is now recognized that an effective and systematic adoption of computers and other new technologies to support the work of the courts is critical.

As a result, a substantial request was made for computer hardware for Judiciary offices and courts throughout the State. Your Committee agreed with policy directions which indicated that computers and technology are essential tools for a modern and efficient judicial system, and, in fact, approved most of the requests for funds in this area. However, your Committee would like to note that the burden of making wise choices to meet user as well as system demands rests with the Judiciary's administration. In this regard, the Judiciary is encouraged to make user support needs a priority in any subsequent purchase choices made.

In addition to computer hardware requests, a corresponding request was made for additional professional and technical positions in the Judiciary's Telecommunications and Information Services Division. The additional position count requested was substantially reduced insofar as a strategic plan with a human resource needs analysis substantiating the additional personnel has not been prepared nor does it appear to be forthcoming. When a strategic plan and needs analysis is developed, your Committee will be amenable to a subsequent review of this particular request.

JUDICIAL PERSONNEL: JUDGES AND SOCIAL WORKERS

Continued growth in planning indicators, such as population projections, will exert increased demands for judicial services. Your Committee believes that those services must be calculated not merely for today's need, but for 10 and 20 years into the future. In this regard, requested judgeships at the trial court level were approved with necessary support positions created and funded as well. It is hoped that these judges will further reduce the court backlog and facilitate a faster caseflow through our judicial system.

In addition to the more traditional requests for judicial personnel, your Committee was pleased to note that an educational component was included in the Judiciary's request. The establishment of a judicial training office will meet the needs of newly appointed judges and support personnel, and the on-going need for professional development on the part of more senior judges and support staff.

In addition to judgeships, the Judiciary's request for additional social workers to meet the needs of the new adoption records program and the adult protection division were, in large part, approved.

COMMUNITY-BASED JUDICIAL SERVICES

As noted earlier, while fiscal austerity was a constant in your Committee's deliberations, necessary programs and services were not to be compromised. In this regard, current community-based services provided by the Judiciary were continued, and a handful of new programs were funded as well. Among the new programs that will be provided are a family crisis center, youth services, and mediation services.

CONCLUSION

In summary, your Committee has amended this bill to carry out the aforementioned policies and has included the addition of provisions deemed necessary for the smooth and continued operations of a responsive and fair judicial system.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 598, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 347 Judiciary on H.B. No. 608

The purpose of this bill is to clarify provisions of Act 188, Session Laws of Hawaii 1990, relating to administrative revocation of drivers' licenses and to provide funding for implementation of the administrative license revocation process.

Your Committee received testimony from the Judiciary, the State Department of Transportation, the Prosecuting Attorneys for the City and County of Honolulu and the County of Kauai, the Chief of Police for the County of Kauai, the Chief of Police for the County of Maui, the Chief of Police for the City and County of Honolulu, the Department of Finance for the City and County of Honolulu and Mothers Against Drunk Driving in support of this bill. Your Committee also received testimony from the American Civil Liberties Union of Hawai'i and the Office of the Public Defender in opposition to certain provisions of this bill.

Your Committee understands that this bill is largely the product of a Task Force consisting of representatives of the Judiciary, Mothers Against Drunk Driving, the Attorney General, the four county Prosecutors, the four county police departments, the Public Defender, the Department of Health, and licensing officials from the County of Maui and the City and County of Honolulu. Your Committee further understands that the Task Force, as well as members of the Judiciary DUI Staff Committee, met numerous times to discuss key procedural issues, visited sites in California and Nevada, and spent many hours carefully deliberating the contents of this bill. Your Committee appreciates the assistance of all participants for assisting in the legislative process.

Your Committee has amended this bill by deleting the provision allowing the Director to impose a longer period of revocation contained in page 24, line 23, to page 25, line 4 of the original bill. Your Committee has also made numerous technical, non-substantive amendments throughout this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 608, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 348 Judiciary on H.B. No. 1177

The purpose of this bill is to appropriate monies to replace the current voting system with a new, totally electronic voting system.

Currently, the present voting system is labor-intensive, obsolete, and becoming increasingly expensive to maintain and operate. The implementation of a totally, electronic voting system should, among other advantages, meet the State's expanding election requirements, eliminate the increasing costs for obsolete replacement equipment, and increase tabulating speed.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor, the Association of Clerks and Election Officers of Hawaii, and a representative from the Temporary Advisory Committee on Electronic Voting Systems.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1177 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 349 Judiciary on H.B. No. 607

The purpose of this bill is to provide an appropriation for the establishment of a Judicial Foresight Commission, which will examine innovative court structuring, investigate and formulate new rules and policies of the court.

Based upon testimony at the hearing of this bill, your Committee has found itself in agreement with this purpose. Preparation for the many changes, legal, as well as social and economic must be addressed with careful planning. The Foresight commission will anticipate the changing judicial needs of the public and the legal system by exploring Hawaii's social, political, and economic environment and responding to these forecasts through the creation of new visions for the future of the Hawaii Judiciary.

Your Committee recognizes that in studying for the future, the present should not be neglected. Increasing criminal activity involving illegal drugs and other areas have inundated the courts and packed the prisons beyond their capacities. Your Committee believes that there is a need to deal with these problems, particularly the overcrowding of the prison system. Some states have gone to a mandatory sentencing system. However, your Committee finds that pervasive mandatory sentencing exacerbates the prison overcrowding problem and an exploration of other alternatives is needed.

Your Committee believes that a revision of sentencing policies may help alleviate the problems of prison overcrowding. Also, testimony indicated that past efforts at extensive law reform in the fields of criminal law and evidence, resulted in comprehensive studies which provided much reform in these areas. Your Committee believes it appropriate to raise and create a Penal Code Revision Committee for the task of investigating, advising and proposing new rules with special attention to existing sentencing schemes and possible alternatives. Accordingly, your Committee has amended the bill as follows:

1. The bill has been amended so that a Penal Code Revision committee, which shall be established for the purpose of conducting a comprehensive review of the Hawaii Penal Code with particular emphasis on sentencing provisions and alleviating sentencing problems.
2. A provision has been added to the bill which states that the advisory committee shall consist of twelve members and to include as members, a representative from the Hawaii Paroling Authority, a representative from the Office of the Public Defender, a County Prosecuting Attorney, a defense attorney from the private sector, 2 Circuit Court Judges, a State Senator and Representative, a probation officer, a parole officer, a representative from the Police Department, and a William S. Richardson Law School faculty member; the Senate President shall appoint one Circuit Court Judge, the Senator, the County Prosecutor, the private sector attorney, the Parole Authority representative, the probation officer, and the Speaker of the House shall appoint the other Circuit Court Judge, the House representative, the police officer, the parole officer, the public defender, and the Law School faculty member.
3. A two-year deadline has been established for the completion of the study.
4. Inserted the sum of \$1 into the appropriation section for the purposes of further discussion.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 607, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 350 Judiciary on H.B. No. 1920

The purpose of this bill is to provide for an appropriation for the continued development and implementation of a statewide computerized Juvenile Justice Information System (JJIS). This system would tie together the information systems of the police and prosecutors of the four counties, the family court and the Hawaii Youth Correctional Facility.

Your Committee received favorable testimonies from the Department of the Attorney General, the Hawaii, Honolulu, Kauai and Maui Police Departments, the Judiciary, the Kauai, Maui, Honolulu and Hawaii Prosecutor's offices, the Department of Public Safety and the Juvenile Justice Interagency Board.

Your Committee finds that juveniles comprise approximately 30% of all arrests annually, and there is no comprehensive statewide information system that can offer information on a juvenile to the agencies. The JJIS would give personnel who work with juveniles background information on arrest and court data, personal data, social services provided, as well as information if a juvenile is a suicide risk or wanted on a warrant. The JJIS is initially targeted for use by persons needing the information for decision-making on individual juveniles. Secondly, it is for the data collection for management and research purposes. The 24 hour availability of data from the JJIS will be important to all in the juvenile

justice system. It will enhance the processing of juveniles in the system and allow agencies to make informed decisions to better protect our communities and help our young people to become law-abiding and productive citizens.

Your Committee has amended this bill in the following manners:

- (1) On page 5, subsection (4), the minor's guardian ad litem was added to the list of those persons who have access to the information.
- (2) On page 5, subsection (5), reference was made to HRS Section 571-84 which delineates circumstances under which information may be disclosed to victims.
- (3) The amount of \$ 1.00 was substituted for the appropriation amounts for fiscal year 1991-1992 and fiscal year 1992-1993.
- (4) Technical nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1920, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 351 Judiciary on H.B. No. 1921

The purpose of this bill is to provide for an appropriation for the continued development and implementation of a statewide computerized Juvenile Justice Information System (JJIS). This system would tie together the information systems of the police and prosecutors of the four counties, the family court and the Hawaii Youth Correctional Facility.

Your Committee received favorable testimonies from the Department of the Attorney General, the Hawaii, Honolulu, Kauai and Maui Police Departments, the Judiciary, the Kauai, Maui, Honolulu and Hawaii Prosecutor's offices, the Department of Public Safety and the Juvenile Justice Interagency Board.

Your Committee finds that juveniles comprise approximately 30% of all arrests annually, and there is no comprehensive statewide information system that can offer information on a juvenile to the agencies. The JJIS would give personnel who work with juveniles background information on arrest and court data, personal data, social services provided, as well as information if a juvenile is a suicide risk or wanted on a warrant. The JJIS is initially targeted for use by persons needing the information for decision-making on individual juveniles. Secondly, it is for the data collection for management and research purposes. The 24 hour availability of data from the JJIS will be important to all in the juvenile justice system. It will enhance the processing of juveniles in the system and allow agencies to make informed decisions to better protect our communities and help our young people to become law-abiding and productive citizens.

Your Committee has amended this bill by substituting the amount of \$1.00 for the appropriation amounts for fiscal year 1991-1992 and fiscal year 1992-1993.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1921, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Oshiro, Yoshimura and Ward.

SCRep. 352 Judiciary on H.B. No. 1802

The purpose of this bill is to appropriate funds for the planning, design, and site selection of a veterans' cemetery in West Hawaii.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee has amended this bill by:

- (1) Reducing the sum appropriated from \$150,000 to \$1; and
- (2) Changing the expending agency from the Department of Land and Natural Resources to the Department of Defense.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1802, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1802, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 353 Judiciary on H.B. No. 816

The purpose of this bill is to allow money received from settlement of claims or losses of the State to be deposited in the State Risk Management Revolving Fund.

Currently, monies received from the settlement of claims or for losses of the State reverts to the General Fund. The deposit of these monies in the State Risk Management Revolving Fund will enable the State to provide for a more timely restoration of public services.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 816 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 354 Judiciary on H.B. No. 1949

The purpose of this bill is to appropriate monies for special units in the Prosecuting Attorneys' Offices of the City and County of Honolulu and the counties of Hawaii, Kauai and Maui.

This bill would appropriate from the State General Fund, grants-in-aid to the offices of the Prosecuting Attorneys of the four counties. These grants-in-aid are to be used to fund special prosecution units which focus on crimes related to domestic violence, drug and gang offenses. This bill would also appropriate funds to the Attorney General to be distributed to the county prosecutors for the career criminal prosecution program established by Chapter 845, Hawaii Revised Statutes.

Your Committee believes that special prosecution units produce effective results by concentrating resources in these key areas of criminal prosecution. However, due to the limited resources of the counties, State grants-in-aid are needed to enable prosecutors to meet the growing caseload demand.

Your Committee has amended this bill by inserting the amount of \$1.00 for each appropriation out of the general revenues of the State of Hawaii.

Your Committee has also added an appropriation for a gang prosecution unit in Honolulu, a career criminal prosecution unit in Hawaii, a victim-witness program in Hawaii and deleted the drug prosecution appropriation for Maui per the request of the Office of the Prosecuting Attorney. Accordingly, the Sections have been renumbered.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1949, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 355 Human Services and Health on H.B. No. 990

The purpose of this bill is to make amendments to chapters 346, 560, and 587 of the Hawaii Revised Statutes.

Your Committees have amended the bill where all references to "permanent foster custody" were deleted because, as recommended by the Judiciary, such an additional term would merely add confusion to the number of options available to the courts under chapter 587 of the Hawaii Revised Statutes.

Secondly, any reference to "interim guardianship" was also deleted from the bill because guardianships and temporary guardianships are already available to protect the rights and welfare of children subject to harm or imminent harm, without the necessity of adding an additional layer to the problem.

Also, other amendments were made in reference to chapters 346, 560, and 587 of the Hawaii Revised Statutes.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 990, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 990, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Arakaki, Bainum, Duldulao, Isbell and Peters.

SCRep. 356 Judiciary on H.B. No. 1242

The purpose of this bill is to appropriate moneys for the commemoration of the fiftieth anniversary of Pearl Harbor.

Testimony in support of this measure was submitted by the Department of Defense, the Chamber of Commerce of Hawaii, the Aloha Chapter of the Pearl Harbor Survivors Association, and a private citizen.

Your Committee has amended this bill to appropriate \$1 for purposes of continued discussion on the merits of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1242, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 357 Judiciary on H.B. No. 292

The purpose of this bill is to appropriate moneys to establish a pilot project in the County of Hawaii for the electronic integration of a shared electronic communications system that will provide data and word processing to participating criminal justice agencies.

Testimony in support of the measure was submitted by the Judiciary and the Department of Public Safety.

Your Committee has amended this bill by:

- (1) Appropriating \$1 for purposes of further discussion; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 292, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 358 Judiciary on H.B. No. 1512

The purpose of this bill is to increase from \$100 to \$250 the tax deduction for political contributions by taxpayers to political candidates, including candidates who have not agreed to abide by campaign expenditure limits.

Citizen participation in political campaigns increase communication and understanding between citizens and those who run for and are elected to office. Encouraging citizens to contribute to and support candidates who represent differing political philosophies is a necessary first step in revitalizing communication.

Your Committee believes that this measure will encourage greater participation in the political process by individual citizens and de-emphasize the importance of political action committees.

Testimony in support of this measure was submitted by the Executive Committee of the Democratic Party's Oahu County Committee and the Hawaii State Commission on the Status of Women.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1512 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 359 Judiciary on H.B. No. 614

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter relating to establishing guidelines and standards for substance abuse testing in the work place and for an implementation of a rehabilitation and treatment program.

Your Committee received testimony in support of this measure from the American Civil Liberties Union (ACLU) of Hawaii and the Hawaii Transportation Association. The ACLU expressed concern about employees being subject to arbitrary and capricious drug testing or improper and discriminatory employment practices by employers. However, the ACLU stated that it shares the public's concern for safety and the employer's objectives of providing a drug-free work place and operating a productive business.

Testimony opposing this measure was submitted by the Chamber of Commerce of Hawaii. The Chamber argued that the issue of work place substance abuse testing was adequately addressed by Act 236 of 1990 and that this Committee should wait until January 1, 1992, when the administrative rules established by the Department of Health to go into effect. Furthermore, the Chamber objected to the provisions allowing for a minimum of eight hours notice to the employee before drug testing, the establishment of a rehabilitative treatment program, and allowing for channels of appeal as being impractical and burdensome.

Your Committee has amended this measure by replacing the number of hours of notice an employee receives before being tested from eight to six to accommodate the Chamber of Commerce regarding the notice requirement.

Your Committee believes that this bill will balance public safety, employer's concerns and employee's fundamental rights of privacy, and to be free from unreasonable searches.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 614, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 360 Judiciary on H.B. No. 602

The purpose of this bill is to increase the number of positions allotted to the Judiciary for positions classified and paid in salary ranges SC-1, SC-2 and SC-3, from one position to four positions.

After considering the testimony from the Judiciary, your Committee agrees that the Judiciary should be provided with the same flexibility as the State administration and the counties of Hawaii, Maui, Kauai and the City and County of Honolulu. Currently, the Executive Branch is allowed sixteen positions, the counties are allowed eight positions each, and the Judiciary is allowed one position. The Judiciary is comparable in size and scope to that of the counties, thereby warranting a similar allotment of positions.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 602, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 361 Judiciary on H.B. No. 451

The purpose of this bill is to appropriate funds for the Office of Veterans' Services to assist Hawaii's veterans in pursuing their claims with the United States Department of Veterans Affairs for education, rehabilitation, and service-related compensation and pensions.

Testimony in support of this measure was submitted by the Department of Defense.

Your Committee has amended this bill by reducing the sum appropriated from \$54,500 to \$1.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 362 Judiciary on H.B. No. 143

The purpose of this bill is to amend section 88-132.5, Hawaii Revised Statutes, to allow a retired member of a military service of the United States to be credited with membership service credit.

Your Committee received testimony from the Department of Defense, State of Hawaii, and retired military servicepersons in support of this bill. The foregoing witnesses expressed concern that the current statute excluded former government employees who retired with honorable military discharges before the effective date of the statute, June 15, 1990, from being credited with military service credits.

Your Committee recognizes the invaluable service military servicepersons have provided for the government and should not be overlooked when awarding service credits.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 143 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 363 Judiciary on H.B. No. 1007

The purpose of this bill is to appropriate funds for the payment of certain persons' claims for legislative relief, settlements and judgments against the State.

Your Committee received testimony from the Office of the Attorney General which recommended the appropriations provided for in this bill be allowed. The appropriations will allow the claims to be paid in accordance with settlement agreements or judgments.

Your Committee has amended this bill to add settlements by the State in the following cases:

- 1) Hosaki v. Danielson, Civil No. 86-3545, \$300,000.00.

- 2) Makue v. Reid, Civil No. 86-3311, \$200,000.00.
Reid v. General Motors Corp., Civil No. 88-2002-07, \$50,000.00 (Consolidated case).
- 3) Taualo v. Solmirin, Civil No. 88-0418-02, \$25,000.00.
- 4) Wiggins v. State of Hawaii, Civil No. 90-1339-05, \$90,000.00.
- 5) Ahnee v. State of Hawaii, Civil No. 88-0401(1), \$150,000.00.
- 6) Lindsey v. State of Hawaii, Civil No. 89-403, \$45,000.00.
- 7) Pierce v. State of Hawaii, Civil No. 85-3973, \$100,000.00.
- 8) Tafoya v. State of Hawaii, Civil No. 88-0204, \$90,000.00.
- 9) Yuen v. Deem, Civil No. 88-105K, and Yeaman v. Deem, et al., Civil No. 88-193K, \$625,000.00.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1007, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 364 Judiciary on H.B. No. 1431

The purpose of this bill is to provide funds for a training academy to support the statewide operations of the Department of Public Safety.

Your Committee heard testimony from the Department of Public Safety which intended to use the funds to provide basic and in-service training to all law enforcement, corrections, security, and other public safety-related staff employed by the department. However, your Committee feels that facilities for such training currently exist.

For the purposes of continued discussion regarding the subject measure, your Committee has amended this bill to insert the sum of \$1 for each appropriation section.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1431, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 365 Judiciary on H.B. No. 1084

The purpose of this bill is to appropriate funds to facilitate the adequate completion of the statewide tsunami inundation and evacuation project.

The University of Hawaii has recently completed a two-year program related to the development of inundation and evacuation zone maps for use in tsunami or hurricane generated emergencies. The funding requested would allow the Department of Defense to implement the results and recommendations of the program.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1084 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 366 Energy and Environmental Protection and Consumer Protection and Commerce on H.B. No. 2049

The purpose of this bill is to authorize the issuance of special purpose bonds in an amount not to exceed \$10,000,000 to assist Olokele Sugar Company in providing more electrical power to Kauai Electric Company.

Your Committees find that Olokele Sugar Company would be able to generate and sell five megawatts of electricity to Kauai Electric Company if funds were made available for the construction and operation of an upgraded boiler system. The crisis in the Middle East makes it even more essential that alternatives be found for our dependence on oil for generating power. Your Committees find that it would be in the best interest of our State to assist Olokele Sugar Company in its proposed project.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2049 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 367 Labor and Public Employment on H.B. No. 2118

The purpose of this bill is to establish a training opportunities program for bilingual/bicultural health and human services providers.

Your Committee finds that a majority of youth termed "at risk" are immigrant and refugees youth from various Asia and Pacific countries and cultures. Many of them form youth gangs. Analysis of the on-going problem of at-risk youth indicates that they are robbed of self-esteem and the capacity to achieve. Hawaii's immigrant and refugee youth at risk need to be more significantly acculturated into the mainstream of community life, from low self-esteem and a negative self-image to high self-esteem and a positive self-image.

Your Committee finds that an acculturation training program is needed to facilitate this transition. Such an acculturation program would incorporate activities which would be highly experiential in nature; more specifically the focus would be on the performing arts of drama, dance, music and poetry. By giving the students the means to express themselves through exercises, workshops, classes and performances the youth would be able to vent their frustrations in more acceptable manner.

Your Committee further finds that these at-risk youth also need referral and access assistance to state, federal and private organizations primarily set up to handle their problems.

Your Committee heard favorable testimony on the bill by the Child and Family Service, the Catholic Charities, the Adult Friends for Youth, the College of Continuing Education and Community Services at the University of Hawaii, students of the Kalakaua Intermediate School Youth Club, students participating in the Adult Friends for Youth group, the Filipino Association of University Women and the Operation Manong of the University of Hawaii, Manoa.

Your Committee has amended the bill by:

- (1) inserting the sum of \$1 for fiscal year 1991-1992; and
- (2) changing the expending agency from the Department of Education to the Department of Labor and Industrial Relations.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2118, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 368 Labor and Public Employment on H.B. No. 1538

The purpose of this bill is to require the payment of Temporary Disability Insurance benefits to employees whose disabilities commenced while employed during the seasonal period and continues beyond the season. This bill will also provide benefits for seasonal employees whose disabilities commenced prior to the seasonal period and extends into the seasonal period.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, and the ILWU Local 142.

Your Committee has amended this bill to incorporate the recommendations proposed by the Department of Labor and Industrial Relations.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1538, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 369 Labor and Public Employment on H.B. No. 1539

The purpose of this bill as introduced was to amend the Employment Security Law to provide a two-tiered contribution rate schedule that would effect a more equitable distribution of tax reductions among all employers when the unemployment compensation fund is at levels deemed adequate to meet anticipated benefit payments during periods of severe economic recession.

Your Committee conducted a hearing on this bill and others proposing amendments to the Employment Security Law, including an administration proposal for a substantial reduction in the taxable wage base for 1991, a proposal to establish an employment and training fund, and a proposal for benefit adjustments. After considering the views of those who testified and carefully reviewing the history of prior amendments to the Employment Security Law, particularly those relating to contribution rates and schedules, in the light of the present economic situation, your Committee agrees that the proposals advanced by H.B. Nos. 946, 1540, and 1541, as well as H.B. No. 1539, should be adopted, though not necessarily in the form they were received. Your Committee, therefore, has incorporated the amendments to the Employment Security Law proposed by these bills into H.B. No. 1539, HD 1. Your Committee believes this will provide needed temporary and longer-term relief for all of the intended beneficiaries of the Employment Security Law, i.e., Hawaii's business and economy, its employers, and its workers.

The Department of Labor and Industrial Relations in H.B. No. 946 proposed to lower the taxable wage base for employer contributions to the unemployment compensation fund for the calendar year 1991 from \$21,400, the state average annual wage, to \$7,000, the taxable wage base under the Federal Unemployment Tax Act. Testifying in support of this once-only reduction in the contribution base, the Director of Labor and Industrial Relations stated the trust fund from which benefits are paid now stands at approximately \$400,000,000 and is capable of making benefit payments without a further infusion of moneys for a period of at least two years even at the highest benefit cost rate ever experienced.

The health of the fund of itself is not reason enough for a drastic reduction in the taxable wage base, and your Committee does not endorse a policy of making reductions of this nature a feature of the Employment Security Law. For one thing, a drastic reduction in the taxable wage base does not evenly affect all employers with similar unemployment experiences. An employer in a pursuit where wages are traditionally high would derive a great saving while an employer in a retail or service trade might not derive any benefit from the reduction. Moreover, a reduction of this nature would be inconsistent with a fundamental policy of unemployment insurance of relating benefit eligibility and amounts to wages earned for insured work.

Your Committee, however, is of the opinion that the health of the fund and other factors support a reduction in the taxable wage base for "calendar year 1991 only" as proposed in H.B. No. 946. Hawaii is in the throes of a sudden economic downturn brought on by a recession on the mainland and compounded by war in the Persian Gulf. Tax relief now would cushion the impact of the recession on all of the intended beneficiaries of the Employment Security Law and would provide relief when most needed. The Director of Labor and Industrial Relations estimates that employers will realize savings amounting to \$46,000,000 through this once-only reduction. He has also advised your Committee that it is the most administratively feasible means to expeditiously afford employers relief designed to improve the economic situation. A complex proposal like that advanced by H.B. No. 1539, in his opinion, could not be implemented during this calendar year. Your Committee, therefore, has incorporated the substance of H.B. No. 946 into section 6 of H.B. No. 1539, HD 1.

Your Committee has attempted in sections 7 and 8 of the amended bill to accomplish its original purpose of providing a more equitable system of reducing employer contributions when the fund is at levels considered adequate to meet foreseeable requirements. These provisions will be effective beginning with calendar year 1992.

The integrity of the present system to gather sufficient moneys to cover anticipated benefit costs cannot be doubted. However, it has been criticized in some quarters as having a tendency for overaccumulation. And there have been several proposals during the last decade for drastic contribution reductions. The Legislature responded by temporarily reducing the taxable wage base from the state average annual wage to 50% thereof for the calendar year 1988. But as your Committee noted earlier, this method of reducing contributions does not evenly spread reductions among employers with similar unemployment experiences.

Testifying in support of the intent of H.B. No. 1539 to provide a more equitable distribution of contribution reductions, the Director of Labor and Industrial Relations proposed what he believed was a simpler and administratively feasible alternative to achieve its purpose. Instead of the present two-table system of basic contributions and fund-solvency contributions or the two-tier contribution system proposed in H.B. No. 1539, he recommended the adoption of a single contribution table with eight schedules that would be applicable as the fund balance fluctuates from one level of theoretical adequacy to cover foreseeable benefit requirements to another. The given levels are stated in terms of the ratio derived by comparing the current fund balance against what the benefit cost would be if the worst one-year experience during the preceding ten years were to recur. In substance, the recommended system is not a radical departure from the present one. But it is simpler in form and concept, would result in more gradual increases or decreases in contributions, and prescribes lower contribution rates for all employers, except those with the worst unemployment experience, when the fund is healthy. It would be more equitable than periodically reducing the taxable wage base, and it would not have an apparent tendency for overaccumulation of funds in good times for which the present two-table contribution schedule has been faulted.

Your Committee is mindful that what has been deemed adequate by the law to cover foreseeable needs in the past has not always turned out to be adequate in fact. Therefore, it has amended the definition of "adequacy" so the fund would not be deemed adequate unless it could last for one and a half years, rather than a year, in the face of the worst one-year experience during the preceding ten years.

The adoption of this bill could result in a substantial reduction of contributions in 1992. At the current rate of contributions under the two-table system of basic and fund solvency contributions, the estimated 1992 contributions would amount to approximately \$95,000,000. Under the proposed system, they would amount to approximately \$46,000,000. What the amount will actually be would depend, of course, on the actual experience of the fund in 1991. But the foregoing illustrates how the new system operates under given conditions to reduce contributions.

The proposal advanced by H.B. No. 1540 for the establishment of an employment and training fund to respond to the demands for worker training has been incorporated in section 2 of H.B. No. 1539, HD 1. The findings supporting the need for a fund to be used to train and retrain workers are set forth in section 1 of the bill. Testifying in support of the proposal, the director of labor and industrial relations stated an assessment of .2% would raise approximately \$15,000,000 to finance the operations of the State Employment Service for which federal funds are not allocated, to fund programs to meet the needs of high-growth occupations and new and expanding industries, to assist workers in overcoming employment barriers, and to assist workers in improving employment prospects. Your Committee agrees that an employment and training fund serving the foregoing purposes should be established.

The proposal for benefit adjustment in H.B. No. 1541 has been incorporated in sections 3 and 4 of H.B. No. 1539, HD 1. H.B. No. 1541 proposed an amendment of the benefit provisions of the Employment Security Law in three respects: (1) changing the formula for calculating an eligible individual's weekly benefit amount from 1/25th of his total wages for insured work during the calendar quarter of his base period in which such wages were highest to 1/21st of such wages,

(2) changing the total amount the individual must earn during the base period to qualify for benefits from 30 to 26 times his weekly benefit amount, and (3) changing from \$2 to \$50 the amount that could be deducted from an individual's weekly benefit if he has earnings in part-time employment.

Your Committee agrees with the Director of Labor and Industrial Relations that these benefit adjustments are necessary to restore the purchasing power of unemployed persons that has eroded through the taxation of benefits. The change in the benefit calculation formula from 1/25th to 1/21st of an individual's high quarter wages would approximate the amount of taxes the benefits would be subject to. The change in qualifying wages from 30 times to 26 times the individual's weekly benefit amount is necessary to prevent the foregoing benefit adjustment from having an adverse effect of disqualifying claimants. The change in disregarded earnings will provide a greater incentive for benefit claimants to engage in part-time work while seeking full-time employment.

Your Committee agrees that the benefit provisions of the law should be further amended to set the maximum weekly benefit at 70% rather than 66-2/3% of the state average weekly wage. Without this change the sizeable number of workers who earn more than the state average weekly wage would be without any form of benefit adjustment.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1539, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 370 Labor and Public Employment and Human Services on H.B. No. 1701

The purpose of this bill is to provide continued funding for the implementational stage of the West Oahu Social and Employment Services Incubator Project.

The continual development of West Oahu into master-planned communities like Kapolei and the Ewa Plain/West Beach projects, will intensify the need for human services for the current as well as the future residents of the emerging West Oahu region. The West Oahu Social and Employment Services Incubator Project will ensure the development of a coordinated system of human services at a one-stop center in that area.

Your Committees received testimony in favor of the bill from the Department of Labor and Industrial Relations, Department of Health, Department of Education, City and County of Honolulu Work Hawaii Program, Ewa Neighborhood Board, The Social and Employment Services Incubator Project, West Oahu Employment Corporation, Board of Directors for West Oahu Employment Corporation, Alu Like, Inc., Kamehameha Schools, Honolulu Community Action Program, Waipahu Neighborhood Board, Office of Hawaiian Affairs, Office of the Chancellor for Community Colleges, Department of Human Services, and the Office of State Planning.

Your Committees have amended this bill to incorporate the recommendations proposed by the Office of State Planning by adding a new section:

- (1) to include the Director of the Department of Accounting and General Services to the Employment Services Incubator Project Board; and
- (2) delete the Office of State Planning from the Board.

Your Committees on Labor and Public Employment and Human Services are in accord with the intent and purpose of H.B. No. 1701, as amended herein, and recommend that it pass Second Reading, in the form attached hereto as H.B. No. 1701, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chun, Duldulao, M. Ige, Metcalf, Shon and Tatibouet.

SCRep. 371 Labor and Public Employment on H.B. No. 1768

The purpose of this bill is to clarify the enforcement provisions under Chapter 104, the Little Davis Bacon Act, which establishes the method to determine the definition of multiple violations under the government contracting laws.

Your Committee received favorable testimony from the Department of Labor and Industrial Relations and Industrial Relations Consultant Corporation.

Your Committee has amended this bill to increase the penalty for a second violation from no more than five per cent to no more than ten per cent of the total contract amount.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1768, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 372 Labor and Public Employment on H.B. No. 699

The purpose of this bill is to amend Chapter 88 of the Hawaii Revised Statutes allowing the Assistant Clerk and the Assistant Sergeant-at-Arms to become eligible for retirement benefits similar to that of the Chief Clerk and the Sergeant-at-Arms.

Your Committee heard testimony in favor of the bill from the Employees' Retirement System, Construction Industry Legislative Organization Inc., HGEA/AFSCME Local 152, and numerous proponents.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 699 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 373 Labor and Public Employment on H.B. No. 158

The purpose of this bill is to authorize a hotelkeeper or manager of a hotel to conduct criminal history record checks on applicants for employment in a position of trust, including baby sitters, security personnel, or managers, or for a position that would allow employees access to the keys of or entry into the units in the hotel or access to the hotel's funds.

Your Committee recognizes the importance of the visitor industry and the significant role hotels play in this industry. Allowing hotels to conduct background checks on hotel employees in positions of trust would enable hotels to ensure greater security and quality service for their guests.

Testimony in support of this measure was received from the Hawaii Hotel Association, the Maui Hotel Association, the Maui Intercontinental Resort, Rockresorts (Lana'i), the Police Department of the County of Maui, and Hilton Hotels in Hawaii.

Although concurring with the intent of this measure, the State Attorney General and the AFL-CIO Hotel Employees & Restaurant Employees, Local-5 expressed concerns about this measure. The Attorney General did not think it was appropriate to pass the bill until the current criminal history information system is up-to-date and more reliable. The AFL-CIO questioned whether background checks of hotel employee applicants would fulfill the objective of protecting property and effects of hotels and their guests from theft or damage perpetrated by hotel employees. They also questioned whether this bill would improperly infringe upon an applicant's privacy rights.

To address the privacy concerns and those of the Attorney General, your Committee has amended this measure by:

- (1) Limiting the scope of applicants who would require background checks to managers, baby sitters, and security guards only. This would give hotels an invaluable tool to verify information about applicants;
- (2) Providing that the a hotelkeeper or hotel manager may direct the personnel relations director or the director's secretary to conduct a background check; and
- (3) Making other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 158, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 374 Labor and Public Employment and Intergovernmental Relations and International Affairs on H.B. No. 1124

The purpose of this bill is to exempt from statutory civil service requirements the following positions in the County Prosecuting Attorneys' Offices: (1) private secretary to the Prosecutor; (2) secretary to the first Deputy Prosecuting Attorney; (3) chief investigator; and (4) administrative or executive assistants. However, these positions would be included in the position classification plan.

The Office of the Prosecuting Attorney for the County of Hawaii submitted testimony in support of this measure.

Your Committees on Labor and Public Employment and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1124 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 375 Labor and Public Employment on H.B. No. 1121

The purpose of this bill is to:

- (1) Amend the State Health Fund law to permit the Board of Trustees of the Hawaii Public Employees Health Fund (also referred to as "Board") to administer a self-funded or fully-insured long-term care benefit plan;
- (2) Provide that applicants shall be subject to medical underwriting;

- (3) Require that monthly premiums for employee-beneficiaries shall vary by age; and
- (4) Allow the Board to offer prescription drug benefits through a health maintenance organization plan instead of a dental maintenance organization plan.

Your Committee finds that there is significant financial liability to the State of Hawaii in funding a self-insured long-term care benefit plan. In addition, there are other important operational issues involved.

Your Committee received testimony supporting the intent of this measure from the Hawaii Public Employees Health Fund and the Coalition of Hawaii State-Counties Retirees Association.

Based on the recommendations of the Hawaii Public Employees Health Fund, your Committee has amended this bill by:

- (1) Adding a new section to authorize the Board to determine a long-term care benefits plan for employee-beneficiaries, their spouses, and qualified beneficiaries. These benefits shall be available only to employee-beneficiaries, their spouses, and qualified-beneficiaries who enroll between the ages of 20 and 85;
- (2) Adding a new section to require all participants to pay contributions to the health fund on a monthly basis for a long-term care benefits plan;
- (3) Clearly setting forth the differences between long-term care benefits plans and health benefits plans, such as removing references to long-term care benefits plans from provisions dealing with health benefits plans;
- (4) Deleting references to how long-term care benefits plans should be administered in Section 87-22, Hawaii Revised Statutes. This would give the Board the authority to adopt rules on the administrative procedures for long-term care benefits plans;
- (5) Providing that both long-term care benefits plans and health benefits plans are either self-insured or fully-insured;
- (6) Allowing a terminated employee or an employee who is not eligible for benefits due to a reduction in work hours including the employee's spouse or a divorced spouse of an employee or retiree to participate as a qualified-beneficiary in the long-term care benefits plan; provided that the person was enrolled in the plan prior to the loss of benefits;
- (7) Appropriating \$300,000 for fiscal year 1991-1992 and \$200,000 for fiscal year 1992-1993 to enable the Board to start the long-term care benefits plan by 1992; and
- (8) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1121, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 376 Labor and Public Employment on H.B. No. 985

The purpose of this bill is to amend Section 219 of the General Appropriations Act of 1989 to provide the Governor with the authority to transfer funds between existing programs of the State government for the purpose of paying claims against the State as required under the Workers' Compensation Law, Chapter 386 of the Hawaii Revised Statutes.

Your Committee finds that the amount budgeted in 1989 for fiscal year 1990-1991 is insufficient to pay workers' compensation claims in this fiscal year.

Testimony supporting the intent of this measure was submitted by the Department of Personnel Services.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 985 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 377 Labor and Public Employment on H.B. No. 1041

The purpose of this bill is to continue the investment yield rate of 8% for actuarial valuations beyond the expired date of June 30, 1990.

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

Your Committee has amended this bill to provide for the actuarial valuations to continue for years ending June 30, 1991 and 1992.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 378 Labor and Public Employment on H.B. No. 1243

The purpose of this bill is to ensure that retirants of the Employees Retirement System who experience substantial delays in receiving their retirement benefit payments are paid interest.

The Employees Retirement System submitted testimony regarding this measure.

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

- (1) Provided that the Board of Trustees of the Employees Retirement System ("Board") shall establish a reasonable and equitable interest percentage rate by rule;
- (2) Required the Board to prepare a report for submittal to the Legislature with regard to the requested activities before the convening of the 1992 legislative session; and
- (3) Changed the effective date from upon approval to July 1, 1992.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1243, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 379 Labor and Public Employment and Higher Education and the Arts on H.B. No. 548

The purpose of this bill is to enable the Board of Regents of the University of Hawaii to establish an optional retirement plan (ORP) for the members of bargaining units 7 and 8 as an alternative to their participation in the Employees' Retirement System.

Your Committees find that the recruitment of qualified faculty is already a major problem at the University of Hawaii largely because of Hawaii's high cost of living. Future recruitment will become even more difficult as the nationwide pool of potential applicants shrinks due to the expected retirement of approximately one-third of the nation's faculty over the next ten to fifteen years.

Your Committees further find the optional retirement plan will assist in the recruitment of University faculty by:

- (1) offering the portability of vested benefits; and
- (2) having no requirement for a vesting period.

Your Committee received testimony from the University of Hawaii, the University of Hawaii Professional Assembly, the Employees' Retirement System, HGEA, the Hawaii Insurers Council, and the TIAA-CREF.

Your Committees have amended this bill that incorporates the recommendations proposed by the Hawaii Insurers Council that at least two companies shall be designated by the board from which the annuity contract will be purchased.

Your Committees on Labor and Public Employment and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 548, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 548, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Lee, O'Kieffe and Tatibouet.

SCRep. 380 Labor and Public Employment on H.B. No. 1122

The purpose of this bill is to allow retirants to vote for employee members on the Board of Trustees of the State Employment Retirement System.

Retirants are excluded from elections on the grounds that their membership ceased upon retirement. This bill will allow retirants to participate in the election of their employee trustee members.

Your Committee received testimony in support of the bill from the Employees' Retirement System and the Coalition of State and Counties Retirees.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1122 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 381 Labor and Public Employment on H.B. No. 1044

The purpose of this bill is to change the public employers' contributions into the Hawaii Public Employee Health Fund for State and County retirees with fewer than 10 years of service from a monthly fixed-dollar method to a percentage amount equal to one-half of the total monthly health insurance premiums for retired employees.

Your Committee received testimony in support of this measure from the Hawaii Public Employees Health Fund.

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

- (1) Including a full contribution amount for those children enrolled in the Health Fund's children dental plan in Section 87-4.5(c), Hawaii Revised Statutes;
- (2) Making specific reference to a retired employee's monthly premiums in Section 87-4.5(e), Hawaii Revised Statutes; and
- (3) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1044, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 382 Labor and Public Employment on H.B. No. 987

The purpose of this bill is to simplify the process used to make pay adjustments for employees in shortage category classes.

Your Committee received testimony supporting the intent of this measure from the Department of Labor and Industrial Relations, the Department of Personnel Services, the Judiciary, and the Department of Civil Service of the City and County of Honolulu.

However, concerns were raised about whether the intent of the measure would be accomplished. The Judiciary had reservations on the provision requiring records to be kept of steps or rates that an employee would be on if the position were not filled on an above minimum basis to adjust the employee's compensation following movement to another position. For example, an individual hired on an above the minimum basis may remain in the same position for many years before moving to another position. To determine the step or rate the employee would be on if the position were filled at the minimum step would involve a review of all the applicable collective bargaining pay provisions from the date the employee was initially appointed to the current provisions.

The City and County of Honolulu had reservations on how these changes would be applied to blue collar shortage categories on the county level. This measure would simplify shortage categories essentially in white collar units where multistep salary schedules and negotiated differentials are involved. The same circumstances do not apply to blue collar shortage categories.

To address these concerns, your Committee has amended this measure by:

- (1) Requiring the Director of Personnel Services to review each shortage category at least once a year to determine if the shortage category should be continued;
- (2) Providing a more equitable manner of administering Section 77-9, Hawaii Revised Statutes;
- (3) Allowing the Director of Personnel Services greater flexibility in administering Section 77-9, Hawaii Revised Statutes;
- (4) Deleting the requirement that records be kept of steps or rates that an employee would be on if the position were not filled on an above minimum basis;
- (5) Deleting the temporary shortage base pay provisions;
- (6) Amending the effective date to take effect upon approval; and
- (7) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 383 Labor and Public Employment on H.B. No. 998

The purpose of this bill is to authorize the Department of Labor and Industrial Relations to assess monetary penalties for violations of Chapters 386 (Workers' Compensation Law), 392 (Temporary Disability Law), 393 (Prepaid Health Care Law), and 371 (General Provisions).

Currently, the penalty provisions may be interpreted to allow only criminal sanctions, making administrative enforcement impossible. This measure further clarifies that fines and penalties would be deposited into their respective special funds, where appropriate, to further the purposes of the statutes.

Your Committee received testimony on this measure from the Department of Labor and Industrial Relations and ILWU Local 142. This measure has been amended to address concerns raised by the ILWU Local 142. The bill has been amended to increase the penalty cap to \$500. The amendments also provide the Department with greater enforcement clout to mandate compliance with these statutory requirements.

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

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 998, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 998, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 384 Labor and Public Employment on H.B. No. 1456

The purpose of this bill is to provide benefits under the Workers' Compensation Law for the nondependent parents of an employee who dies from a work injury in the limited situation where the employee leaves no surviving dependents.

Under present law when a work injury causes death, persons who qualify as dependents of the deceased employee under section 386-42 of the law are entitled to the death benefits provided by section 386-41. For example, a spouse who was living with the deceased at the time of the work injury and the unmarried children of the deceased below the age of eighteen are entitled to benefits without showing actual dependency. A parent, grandparent, grandchild, or sibling, however, is entitled to benefits only upon showing actual dependency. Thus, the parents of a young worker who dies from a work injury rarely receive benefits. And since the law provides the exclusive remedy against employers for work injuries, at common law or otherwise, nondependent parents cannot sue the employer. In effect, the law has left them without a remedy for a grievous loss even if they can prove negligence on the part of the employer.

This bill proposes to amend section 386-41 so that the sum the employer now pays into the special compensation fund when the deceased employee leaves no surviving dependents will be paid instead to the nondependent parents of the deceased, if there are any. Your Committee agrees that it would be equitable in these circumstances to provide benefits in a limited amount for nondependent parents.

The Director of Labor and Industrial Relations testified before your Committee that the department did not oppose the passage of this bill. But he reminded your Committee that the sum the employer must pay into the special compensation fund in the absence of dependents has remained constant since 1971 when Act 101, Session Laws of Hawaii 1971, raised it from \$2,000 to \$8,775. He also noted that Act 101 specifically provided that "the employer shall pay 25% of the maximum benefits chargeable to the employer as set forth in section 386-31(c) for any one death into the special compensation fund, pursuant to the order of the director." The maximum chargeable to the employer then was 312 times \$112.50, which amounted to \$35,100, and \$8,775 represents 25% of this sum. He therefore recommended that the bill be reworded to provide that the employer shall pay "twenty-five per cent of 312 times the effective maximum weekly benefit rate prescribed in section 386-31" to the nondependent parents of a deceased employee in the absence of dependents or to the special compensation fund in the absence of dependents or nondependent parents.

Your Committee agrees with the director that the sum payable by the employer when a work injury causes death and the deceased employee leaves no surviving dependents should be raised after twenty years. Your Committee therefore has amended the bill to reflect the director's recommendation.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1456, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 385 Labor and Public Employment on H.B. No. 1001

The purpose of this bill is to clarify that captive insurance companies under Chapter 431 are required to comply with all provisions of Chapter 386, the Workers' Compensation Law, relative to participating in Workers' Compensation Special Fund assessments.

This bill further clarifies that employees covered by a captive insurer would be entitled to all benefits payable by the Workers' Compensation Special Fund to include special benefits should the captive insurance carrier be unable to pay benefits.

Your Committee received testimony from the Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs.

Your Committee has amended this bill to incorporate the recommendation proposed by the Department of Labor and Industrial Relations to replace the reference to Section 431:19-113 with Chapter 431, Article 19 on page 2, line 9.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 386 Labor and Public Employment and Judiciary on H.B. No. 1005

The purpose of this bill is to clarify that the Deputy Executive Director position within the Hawaii Civil Rights Commission is also exempt from the civil service requirements of Chapters 76 and 77, Hawaii Revised Statutes.

Your Committees have made technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 1005, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1005, HD 1, and be referred to the Committee on Finance.

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

SCRep. 387 Labor and Public Employment on H.B. No. 1048

The purpose of this bill is to authorize the Governor to provide a supplemental benefits option to State executive and managerial personnel through the establishment of a tax deferred life insurance annuity program consistent with Internal Revenue Code Section 457.

Your Committee finds that such a program would make salary and supplemental benefits for the State more competitive with the private sector labor market, and it would enhance the recruitment and retention of qualified personnel to State government service.

The Department of Budget and Finance submitted testimony in support of this bill.

Technical, nonsubstantive amendments have been made to this bill for the purposes of clarity and style.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1048, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 388 Labor and Public Employment and Human Services on H.B. No. 510

The purpose of this bill is to assist in balancing the demands of the workplace with the needs of families and to promote stability and economic security in families by entitling employees to take reasonable leave to care for their newborn, newly placed adopted or foster children, or family members with serious health conditions.

Your Committees find that Hawaii is already distinguishable from other states by having one of the largest proportions of working women, a large percentage of women between the ages of 45 to 62 who are employed outside of the home, a population growth rate for the elderly that is 2.5 to three times the national average, and the longest life expectancy rates in the nation. When coupled with projections of static or declining personal income and rising costs of living, these trends clearly indicate the need that Hawaii families have for an appropriate family leave policy.

Your Committees find that family leave should not be viewed as another employment benefit. On the contrary, family leave should be treated as a labor standard, much like state and federal Occupational Safety and Health standards.

Notwithstanding claims that family leave would be an undue financial burden on employers, your Committees find that the United States General Accounting Office estimated that it would cost about \$5.50 per year per employee to implement a family leave policy.

Furthermore, despite claims that a state family leave law would foster absenteeism and employee dishonesty, thus forcing small businesses into bankruptcy, your Committees find that such a law would be an investment in a work force with high morale and increased productivity.

Your Committees find that abuses of a family leave law would not be as frequent as skeptics believe because the typical employee would not be able to afford taking off from work for a prolonged period of time without a paycheck. With Hawaii's high cost of living, very few people would have the luxury of living without a paycheck to pay for rent, food, and other basic needs.

Your Committees received testimony from representatives of the Office of Collective Bargaining; the ILWU Local 142; the National Federation of Independent Business; the Hawaii State Commission on the Status of Women; the Chamber of

Commerce of Hawaii; Pacific Resources, Inc.; the Kokua Council for Senior Citizens of Hawaii; the Hawaii Nurses' Association; the Hawaii State AFL-CIO; the Hawaii Island Contractors' Association; Hawaii Healthy Mothers, Health Babies Coalition; the American Association of University Women; Hawaii Women's Political Caucus; and Hawaii Women Lawyers.

To address the concerns raised, your Committees have amended this measure as follows:

- (1) Deleted the section listing 21 services that should not be considered employment for family leave because there were inconsistencies in the categories;
- (2) Clarified that nothing in the family leave law will be construed to entitle or deny any employee to the accrual of any seniority or employment benefits;
- (3) Clarified that all firms with fewer than 50 employees are exempt from the family leave law;
- (4) Clarified that family leave would be an unpaid leave; and
- (5) Made other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Labor and Public Employment and Human Services are in accord with the intent and purpose of H.B. No. 510, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 510, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige and Tatibouet.

SCRep. 389 Labor and Public Employment on H.B. No. 1004

The purpose of this bill is to promote uniformity and efficiency in the enforcement of provisions under the jurisdiction of the Hawaii Civil Rights Commission. This measure conforms the provisions of Chapter 368, Hawaii Revised Statutes (HRS), with the contested case hearings and appeal procedures under Chapter 91, HRS.

The Hawaii Civil Rights Commission was created to establish a uniform procedure for the enforcement of the State's discrimination laws in employment, real estate transactions, public accommodations, and access to State and State-funded services.

Representatives from the Hawaii Civil Rights Commission, the Chamber of Commerce of Hawaii, the Hawaii Island Contractors' Association, and Na Loio No Na Kanaka testified in support of the intent of this measure.

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

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1004, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 390 Labor and Public Employment on H.B. No. 1414

The purpose of this bill is to allow the employer to request a hearing to determine whether the employee should be examined by another physician or surgeon if the employer is dissatisfied with the progress of a case or where major or elective surgery is contemplated.

This measure would allow the Director Labor and Industrial Relations to order the requested examination upon a finding that the examination could:

- (1) Result in a more expedient termination of the case;
- (2) Assist in determining the adequacy of medical care or rehabilitation services furnished; or
- (3) Assist in determining the necessity for the contemplated surgery.

The representative of ILWU Local 142 noted that while there is a need to allow the employer or insurance carrier a reasonable mechanism to review cases where there is a suspicion of inadequate medical progress or to obtain a second opinion regarding contemplated surgery, these legitimate purposes are sometimes subverted to give employers and carriers an unfair advantage in litigating claims.

Your Committee finds that this measure would not eliminate the employer's or insurance carrier's right to obtain these types of examinations. However, this measure would enable the claimant to obtain a review whereby a neutral third party would objectively review the need for such an examination.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1414 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 391 Labor and Public Employment and Education on H.B. No. 1349

The purpose of this bill is to establish a volunteer coordination demonstration project that establishes programs to coordinate volunteer activities between the schools and their communities.

Your Committees find that volunteer work can provide very educational and rewarding experiences and that there are numerous opportunities in the community and the schools for work which can be performed by volunteers. The Legislature further finds that the United States Congress recently enacted the National and Community Services Act which will enable states to receive grants for programs which encourage community service and volunteerism.

Your Committees heard testimony from the Department of Labor and Industrial Relations, the Department of Education, and the Boys and Girls Club of Honolulu.

Your Committees have made no substantive amendments to the bill, but do recommend the Department of Labor and Industrial Relations work with the Department of Education to develop a volunteer coordination demonstration project prospectus.

Your Committees on Labor and Public Employment and Education are in accord with the intent and purpose of H.B. No. 1349 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Hashimoto, Young and O'Kieffe.

SCRep. 392 Labor and Public Employment on H.B. No. 846 (Majority)

The purpose of this bill is to delete the definitions for "essential employee" and "essential position" that permits all collective bargaining units to participate in legal strikes except for police officers and firefighters.

Your Committee finds that current provisions of Section 89-12, Hawaii Revised Statutes, which restrict public sector employees from striking when a work stoppage may endanger the health or safety of the public, unfairly tip the negotiating power balance of the parties affected at the bargaining table in favor of the employers in the event of a labor dispute.

Your Committee received testimony in support of this bill from the United Public Workers, AFSCME Local 646 AFL-CIO and the Hawaii Government Employees Association, AFSCME Local 152 AFL-CIO. The Department of Labor and Industrial Relations and the Office of Collective Bargaining expressed reservations about the measure.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 846 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.
(Representative Ward did not concur.)

SCRep. 393 Labor and Public Employment on H.B. No. 1449

The purpose of this bill is to amend Chapter 88 of the Hawaii Revised Statutes to provide that elective officers or judges in the Employees' Retirement System may terminate their membership in the System upon election of the member to retire if made within six months after the date when the member's allowance reaches ninety percent of the member's average final compensation. This bill amends the percentage of the average final compensation from seventy-five percent to ninety percent.

Testimony supporting the intent of this measure was submitted by the Employees' Retirement System of the State of Hawaii.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1449 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 394 Labor and Public Employment on H.B. No. 1003

The purpose of this bill is to make a technical, nonsubstantive amendment to Section 386-153 of the Hawaii Revised Statutes. This bill replaces references to Section 431-318, which was repealed in 1987, with Section 431:7-202.

Testimony supporting the intent of this measure was submitted by the Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1003 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 395 Labor and Public Employment and Judiciary on H.B. No. 1078

The purpose of this bill is to allow the Board of Trustees of the Health Fund to appoint its own legal counsel or allow the Attorney General to appoint a representative to serve as the legal advisor to the Health Fund's Board of Trustees.

Your Committees understand that present law allows the Attorney General to represent the Board as its legal advisor on all issues, rules, contracts, etc. Your Committees realize, however, that as a cabinet officer of the Governor, the Attorney General or the appointed representative will have a conflict of interest because the Governor is defined as an "employer" by Chapter 89, Hawaii Revised Statutes, is an employee of the State of Hawaii, and is also an employee-beneficiary of the Health Fund. Your Committees believe that if the Board is allowed to appoint its own legal counsel, potential conflicts may be avoided.

Testimony on this bill was received from the Department of Budget and Finance and the Hawaii Government Employees Association.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 1078, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 396 Labor and Public Employment on H.B. No. 1077

The purpose of this Act is to provide for the disclosure of certain personal records of employees by government agencies to the exclusive bargaining representative. This measure proposes to allow public employers to disclose the name, social security number, bargaining unit, and current home mailing address of the employees within 30 calendar days of a written request.

Your Committee received testimony from Department of Personnel Services, the Hawaii Government Employees Association, and the Department of Civil Service of the City and County of Honolulu.

Upon further consideration, your Committee has amended this measure to require public employers to provide the mailing address of each employee on file because the Department of Personnel Services and the Department of Civil Service testified that they can only provide the addresses shown on their records.

This measure has also been amended to provide that the information be released within a reasonable time from the request to enable employers to comply with the law.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1077, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 397 Labor and Public Employment on H.B. No. 1059

The purpose of this bill is to amend Section 88-24 of the Hawaii Revised Statutes to provide that a designated representative of the Director of Finance may serve in lieu of the director as a member of the board of trustees for the Employees' Retirement System of the State of Hawaii. This bill also amends Section 88-47 of the Hawaii Revised Statutes to allow members of the contributory plan (class A) who elected to join the noncontributory plan (class C) and who subsequently become contributory plan members again (class A) the option to convert those years of service in the noncontributory plan to the contributory plan and receive contributory plan benefits for those years converted.

Testimony supporting the intent of this measure was submitted by the Department of Budget and Finance.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1059 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 398 Labor and Public Employment on H.B. No. 1491

The purpose of this bill is to establish a training opportunities program for bilingual/bicultural health and human service providers.

Your Committee finds that while there are many bilingual/bicultural staff that provides health and human services to immigrants and refugees, training opportunities to improve staff skills are lacking or not accessible especially in the health and mental health areas in counseling, prevention and crisis intervention.

Your Committee heard testimony in favor of the bill by the Department of Labor and Industrial Relations and the Child and Family Services.

Your Committee has amended this bill to change the expending agency from the Department of Human Services to the Department of Labor and Industrial Relations.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1491, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Metcalf.

SCRep. 399 Energy and Environmental Protection on H.B. No. 789

The purpose of this bill is to bring Hawaii's measurement standards into alignment with national consensus standards for uniformity in weights and measures by amending Chapter 486, Hawaii Revised Statutes.

Your Committee concurs with three amendments to the bill proposed by the Department of Agriculture:

- (1) Delete the definition of "consumer commodity" on page 6, line 8 of the amended bill;
- (2) Replace reference to "section 486-25" with "section 486-7" on page 21, line 7 of the amended bill; and
- (3) Correct the spelling of the word "measures" on page 34, line 13 of the amended bill.

Your Committee also made other technical, nonsubstantive amendments.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 789, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 400 Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Health on H.B. No. 954

The purpose of this bill is to implement the Integrated Solid Waste Management Plan.

Your Committees received testimony from a number of sources about this bill:

The Department of Health testified in support of the bill because it combines all the elements that they believe to be important in one package, and because it is manageable and acceptable to most affected parties. The important elements are:

- (1) The establishment of a county-specific integrated solid waste planning process;
- (2) The establishment of reduction goals for the State;
- (3) The identification of state agency responsibilities, especially the Department of Health;
- (4) A coordinated and dedicated public awareness and education program;
- (5) The mandate for state agencies participation in office reduction programs; and
- (6) The promotion of recycling markets development.

The Department of Transportation testified in support of the overall purpose of the bill but expressed concern about the requirement for using compost in the State's highway landscape maintenance program. Cost, lack of equipment, and possible wind borne compost dust problems were cited.

The Departments of Accounting and General Services and Business, Economic Development and Tourism testified in support of the bill.

The Governor's Advisory Council on Litter Control testified in support of the bill but voiced the concern that increased dumping fees would cause more illegal dumping.

The Hilo Department of Public Works testified in support of the bill.

The Honolulu Department of Public Works testified in support of the bill as being an acceptable compromise.

The County of Kauai testified in support of the concept of the bill and expressed concerns about funding, education, need for additional land to implement the program, and the development of markets for recycled materials.

Patricia Tummons of Environment Hawaii testified in support of the bill and expressed the concern that incineration of solid waste involved such an investment of capital that the voracious need for solid waste as fuel might preclude recycling. She recommended that incineration not be included as an option for that reason.

The Hawaiian Sugar Planter's Association testified in support of the bill with reservations. It recommended the definitions of agricultural solid wastes and special wastes in the bill should be limited to those wastes normally placed in landfills to avoid unduly affecting the sugar industry because this industry does not normally place their solid waste in landfills. This Association also recommended that the normal rulemaking procedure should be followed rather than relying on guidelines because rulemaking allows public input, and the resulting rules are more coherent and practical.

The Recycling Association of Hawaii testified in support of the bill and expressed the concern that there should be more attention to helping private businesses involved with waste reduction and recycling.

John Steelquist of the Tantalus Community Association testified in support of the bill and suggested that litter reduction be established in the bill as both a goal and a practice.

Your Committees have made the following changes to the bill:

1. A new Section -2 (c) has been added providing that minimizing litter and illegal dumping shall be a design factor in solid waste management programs.
2. The provision that the Department of Health use guidelines rather than rules to the extent possible has been removed from Section -31. These committees intend that this does not preclude counties proceeding with implementation of the program in the rule making interim.
3. Incineration for energy has been lowered to the lowest priority as a method for disposing of solid waste.
4. The definitions of agricultural solid waste and special waste have been qualified to that waste which is normally placed in landfills.

Your Committees on Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Health are in accord with the intent and purpose of H.B. No. 954, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 954, HD 1, and be referred to the Committee on Finance.

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

SCRep. 401 Energy and Environmental Protection and Judiciary on H.B. No. 335

The purpose of this bill is to establish a petroleum tank release compensation board within the Department of Business, Economic Development, and Tourism to administer a financial responsibility guarantee and petroleum tank release compensation fund, investigate petroleum tank owner claims for compensation, develop standards for tank owners to acquire and maintain certification, and enforce the provisions enumerated in the bill. The fund is to be used to reimburse owners and operators for costs incurred for corrective action and third party liability. The fund is supported by a \$200 tank maintenance fee on tank owners and a \$10 per one thousand gallon fee on petroleum distributors. This bill also repeals the financial responsibility guarantee fund presently placed under the Department of Health for administrative purposes.

Your Committees find that it is imperative that the State encourage all practical means of eliminating pollution hazards posed by leaking underground storage tanks. Under federal law, various deadlines have been established for owners and operators of underground storage tanks to demonstrate financial responsibility to clean up and control all possible underground storage tank petroleum releases in the future. To assist small businesses in meeting the requirements of federal law and abating possible petroleum releases, your Committees find that the State should assist in the payment of costs of cleaning up underground storage tank releases through December 31, 2000.

While your Committees are in general agreement with the intent and purpose of this measure, your Committees have recommended substantial amendments to establish an alternate approach to the resolution of the problem. As amended, this bill:

- (1) Eliminates the proposed role of the Department of Business, Economic Development, and Tourism in the administration of the financial responsibility guarantee fund and requires the Department of Health to continue to administer the fund under existing law;
- (2) Establishes an "environmental restoration fee" for deposit into the fund to be collected by the Director of Taxation from licensed petroleum distributors at a rate of not more than 0.5 cents per gallon of petroleum product sold, used, or received for use;
- (3) Establishes a "maintenance fee" to be collected by the Department of Health from owners or operators of underground storage tanks in an amount not to exceed \$500 per year per tank;
- (4) Requires the Director of Health to maintain a minimum balance of \$3,000,000 in the fund;
- (5) Requires the Department of Health to adopt rules to establish the types of expenses eligible for payment by the fund, the conditions for owners and operators to acquire certification and maintain eligibility under the program; and
- (6) Establishes requirements for owners and operators to satisfy prior to receiving financial assistance from the fund for the purpose of corrective action and indemnification.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 335, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 335, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 402 Energy and Environmental Protection on H.B. No. 740

The purpose of this bill is to establish a hazardous waste recycling and treatment facility.

Pursuant to a compact between the Western States and Hawaii, hazardous waste generated in Hawaii is shipped to the Western Region of the United States for disposal or storage. This compact allows Hawaii to ship its hazardous waste for at least the next 17 years. However, your Committee feels eventually Hawaii must deal with its own hazardous wastes, and therefore would like to review the benefits and problems of managing hazardous waste and the operation of a hazardous waste recycling and treatment facility.

Your Committee has amended this bill by removing the authorization for issuance of general obligation bonds and an appropriation for the plans, construction, and operation of a facility in the Barber's Point area. Your Committee has further amended this bill by inserting language and an appropriation of \$1 for a comprehensive and comparative study by the Department of Health of the problems with managing hazardous waste in Hawaii.

Your Committee also deleted language from the purpose section of the bill for the purpose of clarification.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 740, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 403 Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Judiciary on H.B. No. 1068

The purpose of this bill is to establish a county glass container recycling law and to stimulate the recycling of glass by placing an advance disposal fee of two cents per glass container on glass containers entering the State, the revenues of which will be placed into a glass incentive special fund to be used by the counties to assist with glass recycling programs.

Your Committees have amended this bill to provide that the Department of Health rather than the counties is responsible for licensing recyclers, collecting assessments, administering the glass incentive special fund and payment of the incentive. In addition, your Committees have amended this bill by:

- (1) Deleting six definitions;
- (2) Deleting the provision that the assessment shall not be paid on glass containers exported from the county unless the glass dealer decides to make such payment;
- (3) Changing the requirement that the amount of the incentive be the same for all licensed recyclers, to all licensed recyclers within the same county;
- (4) Adding a requirement that the recyclable glass containers must have been sold for utilization within the State in order to receive payment of the incentive; and
- (5) Adding a requirement that one per cent of the glass incentive fund be used to develop educational materials and recycling presentations for the public.

Your Committees on Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Judiciary are in accord with the intent and purpose of H.B. No. 1068, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1068, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bainum, Bunda and Yoshimura.

SCRep. 404 Energy and Environmental Protection and Health on H.B. No. 925

The purpose of this bill is to amend chapter 342N by adding and clarifying provisions to ensure proper management and disposal of used oil.

Your Committees find that recent incidents on Oahu involving the contamination of the environment through the improper handling and disposal of used oil require assurances that the used oil law fully provides for the protection of public health and the environment. Your Committees feel this bill would ensure that the recycling of used oil is properly managed from the point of generation, through the transporting chain, and finally, to its final disposition.

Your Committees have amended this bill to address concerns that this bill would make any release of oil a prohibited act. The bill has been accordingly amended to exclude as a prohibition: amounts that are normal discharges from

properly functioning vehicles and equipment; and releases that are subject to the reporting requirements of chapter 128D, Hawaii Revised Statutes.

Your Committees on Energy and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 925, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 925, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 405 Energy and Environmental Protection and Health on H.B. No. 493

The purpose of this bill is to establish a State office of recycling.

Testimony from the Recycling Association of Hawaii indicated that the bill does not specify the counties participation and business development as thoroughly as H.B. No. 2209. Therefore, your Committees have substantially amended this bill by deleting its contents and inserting the contents of H.B. No. 2209.

As amended, this bill would add a new chapter to the Hawaii Revised Statutes titled "Waste Minimization and Resources Management Priorities". These priorities include: (1) Source reduction and reuse, (2) Recycling and bioconversion (3) Landfilling, and (4) Incineration with resource recovery. This bill would establish the Office of Economic Resource Development within the Department of Business, Economic Development, and Tourism (DBEDT). The new office would promote a comprehensive strategy for statewide recycling and source reduction of the solid waste stream. This bill would also establish goals for recycled product procurement and agency responsibilities for recycled product procurement. There are also goals for government agencies to reduce the use of office paper, in addition to an office paper and other materials recovery program. There are provisions for the coordination of bioconversion for the public and the State's role in promoting bioconversion. DBEDT is to establish markets for recycled products.

Your Committees have also inserted the sum of \$1 for the various appropriations so that a more accurate determination of costs may be made.

Your Committees find that this comprehensive approach is necessary in order to adequately address the solid waste issue.

Your Committees on Energy and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 493, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 493, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 406 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.B. No. 653

The purpose of this bill is to establish the wastewater and solid waste recovery and management special fund to be used to assist each of the counties to further develop an integrated wastewater and solid waste management system.

Your Committees find that there is a State Water Pollution Control Revolving Fund. Your Committees feel that this fund would be able to deal with the wastewater aspects of this bill, and, at this time, no one knows what the needs of solid waste management will cost, therefore the establishment of a special fund is not necessary.

Your Committees have deleted language establishing the fund and instead inserted appropriations to the Water Pollution Control Fund and for the counties to conduct master planning of solid waste management.

Your Committees feel that if funds are provided for the counties to conduct solid waste management master planning, the counties may request additional funds when actual needs are known.

Your Committees have further amended this bill by deleting Section 3 in its entirety. Your Committees believe an appropriation for the next fiscal year should be sufficient and it will not be necessary to earmark funds until costs are known.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 653, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 653, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 407 Energy and Environmental Protection on H.B. No. 922

The purpose of this bill is to clarify the existing law on maximum amounts for fines or penalties, and to require all environmental fines and penalties to be deposited into the Environmental Revolving Fund.

Your Committee finds that it is not the intent of the existing law to have ceilings on penalties paid by polluters in situations where there are multiple violations or a violation which occurs longer than a day, and this bill will make clear this intent.

Your Committee feels that placing the fines and penalties in the Environmental Revolving Fund would provide funds needed to respond to releases of hazardous substances which may endanger the public or environment.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 922 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 408 Planning and Economic Development on H.B. No. 1708

The purpose of this bill is to establish a tropical fruit disinfestation facility on the island of Kauai.

Your Committee received testimony from the Director of Business, Economic Development and Tourism, the Chairman of the Board of Agriculture, and the Dean of College of Tropical Agriculture and Human Resources, University of Hawaii, in support of this measure.

Your Committee amended the bill by changing the funding level to \$1 for fiscal year 1991-92 for the purpose of further discussion.

Your Committee further amended the bill by deleting the Department of Business, Economic Development and Tourism as the expending agency and substituting the University of Hawaii Office of Technology Transfer.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 1708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1708, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 409 Planning and Economic Development on H.B. No. 1511

The purpose of this Act is to appropriate funds for the Pacific International Center for High Technology Research to coordinate and lead a team of local organizations from the public and private sectors and the design and development of high impact interactive multimedia technology applications for the State.

Your Committee amended the purpose of this bill to appropriate funds to the Department of Business, Economic Development and Tourism to encourage the development and commercialization of the high impact interactive multimedia industry in the State.

Your Committee further amended the appropriation sums of fiscal year 1991-92 from \$800,000 to \$600,000 and fiscal year 1992-93 from \$300,000 to \$200,000.

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

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 1511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1511, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Say.

SCRep. 410 Planning and Economic Development on H.B. No. 1047

The purpose of this bill is to expand the role of Hawaii Inc in bringing new businesses into the State and to enable its employees to receive the same benefits as other State employees along with making minor non-substantive text changes.

Your Committee received testimony from the Director of Budget and Finance in support of this measure.

Your Committee has amended the bill to include the employees of the corporation under the collective bargaining provisions of Chapter 89 of Hawaii Revised Statutes.

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

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 1047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1047, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Say.

SCRep. 411 Planning and Economic Development on H.B. No. 1840

The purpose of this bill is to empower the Board of Land and Natural Resources, by resolution, to designate ten acres of public land in the vicinity of Kawaihae, County of Hawaii as an industrial park.

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

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 1840 and recommends that it pass Second Reading and be referred to the Committee on Water, Land Use and Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 412 Planning and Economic Development on H.B. No. 1705

The purpose of this bill is to appropriate funds to the Hawaii Community-based Development Revolving Fund to enable additional grants to be made under this program.

When the Community-based Development Program was established by the 1990 Legislature, \$900,000 was appropriated to the revolving fund, of which \$500,000 was authorized for use in making grants. The program made one grant of \$470,000, leaving only \$30,000 available for other grants. \$400,000 is still available for loans.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism (DBEDT), the Office of Hawaiian Affairs, Alu Like, the Waianae Coast Community Alternative Development Corporation, Hina-malailena, and interested citizens.

In view of the tight fiscal straits the State currently finds itself in, your Committee has amended this bill by inserting amendments to the statutes to allow DBEDT to use moneys in the revolving fund not appropriated for a specific purpose to make either grants or loans, providing that they may not deplete the funds available for loans. Your Committee has also inserted the amount of \$1 in the appropriation section.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 1705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1705, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 413 Energy and Environmental Protection on H.B. No. 640

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Island Power Company in the construction and operation of the Lower Wailua Hydroelectric Project and related facilities on the Wailua River on the island of Kauai.

The project would have a capacity to produce approximately six megawatts. This would replace about twenty-nine thousand barrels of oil each year. At a time when oil supplies may be uncertain, your Committee feels this project may help the State relieve some of Hawaii's dependency on oil.

Your Committee believes that assisting alternate renewable energy sources that are nonpolluting is an important step towards ensuring the protection of our environment.

Your Committee finds this project will serve the general public in providing electrical energy.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 640 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 414 Planning and Economic Development and Education on H.B. No. 1624

The purpose of this bill is to appropriate \$100,000 from the general revenues for fiscal year 1991-92, and \$50,000 for fiscal year 1992-93, for the solar car challenge competition between high schools in the State of Hawaii.

Your Committees received testimony from the Department of Business, Economic Development and Tourism (DBEDT) and the Konawaena High School Solar Car Team supporting the intent of this measure. The Department indicated that they have funded this activity for the past two years, but do not have the necessary funds and staff to continue support of this program. Testimony supported the idea of starting an international solar car competition to further the momentum created by Hawaii high schools successes in this area.

Your Committees have amended this bill to appropriate \$50,000 in each year of the 1991-1993 biennium to initiate an international solar car competition in Hawaii, provided matching funds are received for this purpose, a comprehensive promotional plan is approved by DBEDT, and key approvals are received from the County of Hawaii.

Your Committees on Planning and Economic Development and Education are in accord with the intent and purpose of H.B. No. 1624 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Say, Young, O'Kieffe and Tatibouet.

SCRep. 415 Energy and Environmental Protection and Judiciary on H.B. No. 928

The purpose of this bill, as received by your Committees, is to amend Section 342I-1, Hawaii Revised Statutes, concerning lead acid battery recycling, to prevent improper disposal of battery electrolyte fluid, and to add and clarify provisions to ensure proper management and disposition of spent lead acid batteries.

Your Committees received testimony from the Department of Health strongly in support of the bill and with recommendations for the following changes:

1. Some batteries may have had electrolyte leak unintentionally. The Department suggested additional language stating those batteries may be accepted for recycling.
2. The Department suggested making intentional improper disposition of the electrolyte illegal.
3. The Department also recommended defining authorized collection and recycling facilities as those permitted under Section 342H, Hawaii Revised Statutes, so that the Department can review the facilities.

Your Committees received testimony from Richard Botti of the Hawaii Automotive and Retail Gasoline Dealers Association in support of the concept of the bill. The Association recommended that a record need not be kept of the date of receipt; batteries that are dry for some reason be acceptable; and the measure not prohibit batteries from being shipped overseas to foreign smelters.

Janie Deuser of the Recycling Association of Hawaii also submitted testimony in support of the bill.

Your Committees have found that there is a need to amend and clarify Chapter 342I, Hawaii Revised Statutes, and to provide for civil and criminal penalties for violation of its provisions.

Your Committees have amended the bill as follows:

1. Section 1 has been changed per recommendations of the Department of Health.
2. Section 2 has been amended by removing reference to the date of receipt of the batteries.
3. References in Section 1 of the bill to an authorized collection and recycling facility have been amended to define the facility as one permitted under Chapter 342H, Hawaii Revised Statutes.
4. Section 2 has been amended to clarify the civil fines and to make the criminal penalty a misdemeanor. The fine for violating Chapter 342I has been increased from \$5,000 to \$10,000.
5. A prohibition of disposing of lead acid battery electrolyte improperly has been added to the bill.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 928, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 928, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Bainum, Takamine, Yoshimura and Ward.

SCRep. 416 Energy and Environmental Protection and Ocean and Marine Resources on H.B. No. 442

The purpose of this bill is to help preserve and enhance the quality of Hawaii's environment, as well as protect public health and welfare, by providing receptacles to collect and dispose of waste oil in our coastal areas.

Your Committees find that waste oil resulting from marine activities is contaminating our coastal lands and waters by being dumped on the ground, thrown in the ocean, deposited in trash receptacles, or otherwise illegally disposed of within our harbor areas. The Department of Transportation reports that waste oil collection facilities have been installed at four of our small boat harbors, but that lack of funding prevented installation of such facilities at four other boat harbors.

Your Committees are in agreement that there is urgent need for the installation of waste oil facilities at all of our small harbor areas.

Your Committees have amended this bill by appropriating the sum of \$1 for the purpose of this bill, since information about the moneys needed was not available, and have designated the Department of Transportation as the expending agency, rather than the Department of Health, since the Department of Transportation is already engaged in this type of program.

Your Committees on Energy and Environmental Protection and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 442, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 442, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 417 Judiciary on H.B. No. 844

The purpose of this bill is to appropriate moneys to initiate a program to improve the statewide rainfall and flood information system.

Testimony in support of this measure was submitted by the Department of Defense and a representative from the National Weather Service for the Pacific Region.

Your Committee has amended this bill by reducing the amount appropriated from \$200,000 to \$1 for purposes of further discussion on the merits of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 844, HD 1, and be referred to the Committee on Finance.

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

**SCRep. 418 Energy and Environmental Protection and Intergovernmental Relations and International Affairs
on H.B. No. 397**

The purpose of this bill is to appropriate general funds for a study to determine the feasibility of utilizing environmentally sound alternatives to the construction of an ocean outfall wastewater treatment system on the North Shore of Oahu. Upon completion of the study, this bill would authorize the issuance of general obligation bonds to acquire the necessary land to construct and operate a wastewater reclamation facility on the North Shore of Oahu.

Testimony from the Mokuleia Community Association, the Waialua Community Association and the North Shore Environmental Coalition supported this measure.

Your Committees find that wastewater reclamation systems are very cost efficient and that their use benefits the communities which they serve. In addition, the reclamation process conserves one of Hawaii's most precious resources -- water.

This environmentally sound alternative is desirable since conventional wastewater treatment systems using an ocean outfall have posed serious environmental problems when the systems have malfunctioned, thereby, discharging raw or partially treated sewage into the ocean. The beautiful waters of the North Shore of Oahu are an asset to the residents of the entire island and the tourist industry and must be protected.

Your Committees, at the request of the Director and Chief Engineer of the City and County of Honolulu, Department of Public Works, have amended this bill by inserting \$500,000 on line three of page 1 for fiscal year 1991-1992 and \$1 on line four of page one for fiscal year 1991-1993. This measure would allow the evaluation and implementation of an alternative wastewater treatment method, wastewater reclamation, in place of ocean outfall systems.

Your Committees have also inserted the amount of \$1 on line 11 of Section 2 for fiscal year 1992-1993 authorizing the issuance of general obligation bonds to acquire the necessary land to allow the City to construct and operate a wastewater reclamation project on the North Shore of Oahu.

Your Committees have further amended the bill by replacing the word "preliminary" on line 15 of page one with the word "status" for purposes of clarity.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 397, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 397, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 419 Judiciary on H.B. No. 865

The purpose of this bill is to make an appropriation to set up low-interest loans for the residents and citizens of Hawaii who have suffered the loss of their homes and lands to the effects of the volcanic eruptions on the island of Hawaii.

Representatives from the Department of Land and Natural Resources and the Housing, Finance and Development Corporation submitted testimony in support of this bill. Testimony indicated that many residents on the island of Hawaii have lost their homes and lands to the devastating effects of the volcanic eruptions. Testimony from the Housing, Finance and Development Corporation also indicated that the strict requirements of gubernatorial declaration of a disaster area often restricts the entitlement of those residents who are outside the declared disaster but whose losses are nonetheless the results of natural disasters.

Your Committee received testimony opposing the bill from the Department of Defense, which stated that the provision of disaster aid to victims who live on the margins and/or outside the declared disaster areas has not been a significant problem. Furthermore, the Department of Defense indicated that an establishment of a disaster loan program not contingent upon a gubernatorial disaster declaration and made available as a safety net would make it potentially more difficult to secure a presidential disaster declaration and federal disaster assistance.

Your Committee found from the Housing, Finance and Development Corporation's testimony that benefits that would accrue to affected residents under State law would outweigh any restriction that might possibly occur with respect to a presidential disaster declaration.

Your Committee is in agreement with the testimony presented by the Housing, Finance and Development Corporation and has adopted their recommendations by making the following amendments:

- (1) Set up a public relief program with specific requirements for repayments of low-interest loans at low-interest rates, where each resident can borrow up to \$35,000.00, and
- (2) Replace the expending agency of the Department of Land and Natural Resources with the Housing, Finance and Development Corporation.

Your Committee has further amended this bill by inserting the sum of \$1 into the appropriation section of this bill for the purposes of further discussion.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 865, HD 1, and be referred to the Committee on Finance.

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

SCRep. 420 Energy and Environmental Protection on H.B. No. 419

The purpose of this bill is to provide funds to support the hazardous materials response team (HAZ MAT team) of the Fire Department of the City and County of Honolulu.

Your Committee finds Hawaii has a unique and fragile environment which may be damaged or harmed by any release of hazardous materials. Your Committee feels any release of hazardous materials should be controlled quickly and finds the HAZ MAT team is a group of specialists trained to handle and control a release of hazardous materials into the environment.

Your Committee would like to see continued support of the HAZ MAT team to ensure our environment is not damaged or harmed by a release of hazardous materials.

Your Committee has amended this bill by changing the appropriation amount to \$1 so that a more accurate determination of funding may be made at a later date.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 419, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 421 Judiciary on H.B. No. 881

The purpose of this bill is to allow a supplier of materials to issue a bond for the performance of a contract in an amount not to exceed \$150,000, for the construction of public facilities or other site improvements.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services. Your Committee finds from testimony presented that to avoid any misinterpretation of the proposed use on material house bonds, a separate section be used to include material house bonds as an acceptable bonding instrument for bids that do not exceed \$150,000.

Your Committee has adopted the recommendations of the Department of Accounting and General Services by making the following amendments:

1. Inserted the proposed new statutory language into a new section under chapter 103.
2. Added the words, "including amounts estimated to be required for extra work", into paragraph (1), to allow greater flexibility in smaller bonding amounts.
3. Added a provision that sunsets this Act on June 30, 1996, to allow time to analyze the effectiveness of the material house bond.

Your Committee believes these amendments will make this Act consistent with Chapter 103.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 881, HD 1, and be referred to the Committee on Finance.

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

SCRep. 422 Energy and Environmental Protection on H.B. No. 915

The purpose of this bill is to require the petroleum industry to report information and data to the Department of Business, Economic Development, and Tourism.

Your Committee believes this bill would help the State understand the operations of the petroleum industry and allow the State to develop and administer energy policies in response to fluctuating supply or prices in oil.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 915 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 423 Judiciary on H.B. No. 1315

The purpose of this bill is to amend Chapter 806, Hawaii Revised Statutes, and provide funds to establish an intrafamily sexual assault program within the adult probation unit of each circuit court for the supervision, monitoring, assessment, and treatment of intrafamily sexual assault offenders.

Testimony in support of this measure was submitted by the Judiciary, Catholic Charities, and the Police Department of the City and County of Honolulu.

Your Committee has amended this bill by appropriating \$1 for purposes of further discussion.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1315, HD 1, and be referred to the Committee on Finance.

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

SCRep. 424 Judiciary on H.B. No. 1521

The purpose of this bill is to appropriate moneys to assist the County Committees on the Status of Women in developing and promoting policies and programs that include gender equity, career advancement, and other health, social, and economic concerns of women.

Testimony in support of this measure was submitted by the State Commission on the Status of Women, the Hawaii Women's Political Caucus, the Hawaii State Coalition Against Sexual Assault, and the Honolulu County Committee on the Status of Women.

Your Committee has amended this bill by:

- (1) Appropriating \$1 for purposes of further discussion; and
- (2) Changing the expending agency from the Office of Affirmative Action to the Department of Human Services for the State Commission on the Status of Women to carry out the purposes of the measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1521, HD 1, and be referred to the Committee on Finance.

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

SCRep. 425 Energy and Environmental Protection and Water, Land Use and Hawaiian Affairs on H.B. No. 1697

The purpose of this bill is to protect Hawaii's vital watersheds, scenic beauty, and native plants and animals by establishing a natural area partnership grant program to encourage the long-term stewardship of privately-owned lands that contain native Hawaiian ecosystems, habitat for rare native species, essential watersheds, or other important natural resources.

The natural area partnership grant program will provide \$2 as matching funds for every \$1 which the private sector provides for management of private lands that are of natural area quality and permanently dedicated to conservation.

Your Committees find that it will be less expensive to join in a cost-sharing partnership to manage private natural areas and watersheds than for government to acquire lands through purchase or condemnation and have to manage the lands themselves.

Your Committees received testimony in support of this bill from a broad segment of the community, including: the Department of Land and Natural Resources; the ILWU Local 142; the Hawaii Society of American Foresters; the Hawaii Visitors Bureau; the Nature Conservancy of Hawaii; and the Natural Resources Defense Council, Inc.

Based on this testimony, your Committees have amended this bill as follows:

- (1) Inserting the words "or waters" between the words "lands" and "of" on page 1, line 16 so that streams would also qualify for a grant;
- (2) Deleting the words "where available" on page 5, line 21, relating to the publication of a notice on the proposed location of a natural area reserve;
- (3) Inserting language beginning on page 2, line 17 that give DLNR the right to make inspections of the natural area land after landowner notification and the authority to approve alteration to the management plan to adapt to current conditions; and
- (4) Making technical, non-substantive changes to the bill for the purposes of style and clarity.

Your Committees on Energy and Environmental Protection and Water, Land Use and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1697, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1697, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 426 Energy and Environmental Protection on H.B. No. 519

The purpose of this bill is to appropriate funds to the Water Pollution Revolving Fund to assist the counties in developing adequate water treatment facilities for their anticipated population increases.

Your Committee finds that anticipated population increases in the counties will require further development of their water treatment facilities. Potential demands for pure drinking water have surpassed availabilities in some instances, resulting in construction projects being delayed. A source of funding for increasing the capacity of water treatment facilities will be required to accommodate population increases.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 519 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 427 Energy and Environmental Protection on H.B. No. 1761

The purpose of this bill is to impose certain energy conservation features into the design and construction of public buildings. The bill requires that the comptroller and the energy resources coordinator enforce the requirements of this bill that will apply to the construction or renovation of buildings made by the State or any of its political subdivisions.

Upon further consideration, your Committee has amended this bill to require that the director of the agency having jurisdiction over the construction or maintenance of a public building be responsible for the enforcement of the energy conservation requirements with respect to that building. Your Committee has also amended subsection (b)(5) to provide that window systems "shall" rather than "should" minimize air infiltration when closed in order to remove the ambiguity as to whether the provision is mandatory or discretionary.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1761, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1761, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 428 Judiciary and Health on H.B. No. 513

The purpose of this bill is to amend section 560:5-610, Hawaii Revised Statutes, to establish the Reproductive Rights Committee within the Department of Health, State Planning Council on Developmental Disabilities for administrative purposes.

Your Committees received testimony in support of this measure from the State Planning Council, Reproductive Rights Committee and Commissions on Persons with Disabilities. Testimony from the foregoing witnesses indicated that the Reproductive Rights Committee, created in 1986 via Act 81, was placed in the Judiciary's Office of Public Guardian. The Judiciary, however, determined that a conflict of interest existed which resulted in the Reproductive Rights Committee being under the State Planning Council on Developmental Disabilities after many other alternatives such as the Judiciary, the Office of the Attorney General, and the Department of Human Services, were investigated. The Reproductive Rights Committee has been under the administrative purview of the State Planning Council for the past two years and no conflict of interest has arisen and therefore the Reproductive Rights Committee wants to retain the current setup.

Your Committees received testimony opposing this measure from the Protection and Advocacy Agency of Hawaii, who is of the opinion that the Department of Health's involvement in pregnancy and contraceptive matters would exert administrative pressure on the State Planning Council resulting in a conflict of interest and undue influence on the Reproductive Rights Committee decisions.

Your Committees find that the Council's administrative attachment to the Health Director's Office creates adequate buffers against any undue influence or conflict of interest from arising. Your Committees further find that due to the difficulties in locating a department or agency receptive to the Reproductive Rights Committee's needs and until such time as a conflict of interest develops, your Committees are satisfied with the current setup.

Your Committees have adopted the recommendations of the Reproductive Rights Committee by adding the word "protective" to the name of the committee. The new name shall read:

"Reproductive rights protective committee." Your Committees also added the field of psychiatry as one of the required disciplines that must be represented by a committee member.

Your Committees on Judiciary and Health are in accord with the intent and purpose of H.B. No. 513, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 513, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Chun and Duldulao.

SCRep. 429 Energy and Environmental Protection on H.B. No. 857

The purpose of this bill, as received, was to provide a tax credit of fifteen per cent of the purchase price of tinting films that are installed, affixed, or applied to the windows of homes or businesses after December 31, 1990, but before January 1, 1999, to reduce energy consumption.

Your Committee has amended this bill by deleting its contents and inserting the following language:

- (1) Requiring the Department of Business, Economic Development, and Tourism to establish and operate a statewide residential solar water heater loan program to provide low interest loans to qualified homeowners for not more than seventy-five per cent of the acquisition cost of a residential solar water heater;
- (2) Specifying that interest rates on loans be less than the prevailing interest rate in the State at the time the loans are made;
- (3) Specifying that all loans be fully amortized within five years of the execution of the loans, with annual payments of principal and interest commencing not more than one year after the execution of the loans;
- (4) Requiring the Department to adopt rules to effectuate the loan program;
- (5) Establishing the residential solar water heater loan fund, from which moneys may be loaned by the Department to homeowners who qualify for participation in the loan program;
- (6) Requiring that the loan fund consist of any moneys that the Legislature may appropriate to effectuate the loan program, all interest payments on loans for residential solar water heaters, and all penalties assessed for late loan payments and defaults on loan payments;
- (7) Specifying that all payments received by the loan program be credited to the loan fund;
- (8) Requiring the Department to establish fiscal controls and accounting procedures to assure accounting of payments and disbursements received and made by the loan fund;
- (9) Requiring the Department to adopt penalties for late loan payments and defaults on loan payments;
- (10) Authorizing the Department to transfer moneys on deposit in the loan fund to the general fund if the loan fund is no longer needed or the accumulation of moneys in the loan fund exceeds the amount needed to effectuate the loan program; and
- (11) Appropriating the sum of \$1 for fiscal year 1991-1992 to be paid into the loan fund.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 857, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 430 Judiciary on H.B. No. 625

The purpose of this bill is to make an appropriation to fund two Deputy Attorney General positions for the purpose of defending State officials in federal court lawsuits brought by convicted defendants.

Your Committee received testimony from the Office of the Prosecuting Attorney and the Hawaii Prosecuting Attorneys Association. Your Committee finds that because the Office of the Attorney General lacks the resources to handle the increasing number of Writs of Habeas Corpus against State officials, the County Prosecutors have accepted this responsibility to insure that convictions they have obtained are upheld. This bill would provide additional funds for fiscal

year 1991-1992. It is anticipated that in the future the Attorney General's budget will reflect the needed funding for these positions, thus affording the counties long term relief.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 625 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 431 Judiciary on H.B. No. 360

The purpose of this bill is to appropriate funds to the Chief Justice's committee on gender and other fairness in order to implement recommendations for remedial action in Hawaii's court system.

Your Committee received testimony from the Judiciary and finds that gender bias in the court system has been well documented throughout the United States. It is clear from the findings of national surveys that the perception of gender bias in the courts is substantial and must be addressed. Gender bias, as well as perceptions of gender bias, undermine the very foundation upon which the legal system rests; namely, the premise that justice is to be administered impartially.

Your Committee has amended this bill by inserting "\$94,499" for fiscal year 1991-1992 and "\$82,749" for fiscal year 1992-1993 for funding the staff positions. The positions will be responsible for further initiating and monitoring the implementation of the Committee's recommendations. Such recommendations include educational programs concerning gender and other fairness issues, amend attorneys ethics codes that practice discrimination, establish a confidential reporting system to review complaints of gender issues, disseminate publications regarding gender issues and training Judiciary personnel regarding gender bias issues.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 360, HD 1, and be referred to the Committee on Finance.

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

SCRep. 432 Judiciary on H.B. No. 604

The purpose of this bill is to amend Section 603-3, Hawaii Revised Statutes, by incrementally increasing the number of circuit court judges in the First Circuit.

Currently, the circuit court of the First Circuit is utilizing district court judges to handle the increasing demands of the circuit courts. The addition of two judgeships, effective July 1, 1991, and one additional judgeship effective July 1, 1992, should expedite the disposition of court cases.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 604, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 433 Planning and Economic Development and Water, Land Use and Hawaiian Affairs on H.B. No. 2147

The purpose of this bill is to make an appropriation in the sum of \$400,000 from the State's general revenues to be expended by the Department of Land and Natural Resources for the completion of planning and permitting for the Center for Applied Aquaculture (CAA) facilities on Coconut Island.

Your Committees received testimony from the Chairman of the Board of Land and Natural Resources, from the Director of the University of Hawaii's Institute of Marine Biology and from the Oceanic Institute in support of this measure.

Your Committees on Planning and Economic Development and Water, Land Use and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2147 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 434 Planning and Economic Development on H.B. No. 674

The purpose of this bill is to authorize general obligation bonds to establish a fund for the purchase of Palmyra, a collection of small islets totalling approximately 600 acres, located 960 miles south of Hawaii.

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

Your Committee also notes that the Department of Land and Natural Resources should also pursue the acquisition of Palmyra by other means to include such options as land exchange and tax incentives.

Your Committee amended the bill to provide \$1 for funding for the purpose of further discussion.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 674, and amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 674, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Say.

SCRep. 435 Planning and Economic Development and Tourism on H.B. No. 247

The purpose of this bill is to impose a moratorium on the approval of all new golf courses by requiring the counties to suspend consideration of all golf course projects until the Office of State Planning can measure the impacts of golf courses, and determine the number of golf courses which can be absorbed by each region in the State. The Office of State Planning will then make this information available to the counties to assist their decision-making on golf course applications.

Testimony in support of the intent of this bill was received from the Office of State Planning, the City and County of Honolulu, the County of Hawaii, the Chamber of Commerce, and many others. However, there was general agreement that a statewide moratorium was not needed. The Office of State Planning (OSP) observed that there are already regional plans for some areas of the State which allow for the evaluation of new golf course impacts. Concern was expressed about the inadequacy of current evaluation standards to measure the cumulative impacts of a concentration of golf courses in one area. Windward Oahu was cited as a region where the concentration of existing and planned golf courses is so great that their cumulative impacts may not be adequately assessed under existing procedures.

In recognition of this concern, your Committees have made the following amendments to the bill:

- (1) Limited the moratorium to the Kaneohe Bay region, and provided a description of that region;
- (2) Specified that the moratorium extends until June 30, 1993;
- (3) Required OSP to submit findings and recommendations on the cumulative impacts of golf courses in and the golf course carrying capacity of the Kaneohe Bay region;
- (4) Requested OSP to consult with the Kaneohe Bay Task Force in the performance of this study;
- (5) Directed the Kaneohe Bay Task Force to include recommendations on golf course developments in its master plan;
- (6) Deleted references to OSP devising a system to charge developers a pro rata share of the cost of regional impact studies;
- (7) Inserted the figure of \$1 in the appropriation section; and
- (8) Made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committees on Planning and Economic Development and Tourism are in accord with the intent and purpose of H.B. No. 247, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 247, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 436 Consumer Protection and Commerce on H.B. No. 800

The purpose of this administrative bill is to amend Section 239-4, Hawaii Revised Statutes, such that public service companies must file a tax return with the Department of Taxation on or before the twentieth day of the fourth month following the close of a taxable year. It also allows public service companies to file their returns on a fiscal year basis, and permits accelerated payment and collection of taxes from public service companies with tax liabilities exceeding \$100,000 a year.

Supporting testimony was presented by the Department of Taxation and the Taxation Foundation. Opposing testimony was presented by Hawaii Electric Industries, Inc., GasCo, Inc. and GTE.

This bill incorporates three changes to the Hawaii Revised Statutes, as follows:

- 1) Require the public service companies to file their tax returns on a fiscal year basis to facilitate accounting and record keeping functions, instead of the current calendar year basis; and

- 2) Require public service companies to file an amended return to adjust any estimated tax return, rather than through a redetermination by the Director of Taxation; and
- 3) Accelerate the payment and collection of taxes by requiring companies with tax liability exceeding \$100,000 to pay taxes in twelve equal monthly installments. Monthly payments of taxes by these utilities will result in the interest on these payments accruing to the State, rather than being lost due to the present quarterly payment requirement. The utilities expressed concern that the monthly payments would result in additional company expenses which would need to be passed to the consumers. The Public Utilities Commission (PUC) provided information on the impact to consumers of the possible cost increases. Though there may be slight increases, any increases would have to be upon the PUC's approval after a rate hearing.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 800 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 437 Consumer Protection and Commerce on H.B. No. 1777

The purpose of this bill is to ensure the availability of basic property insurance in areas exposed to natural disasters. The unavailability of insurance for people having insurable interests in properties in the vicinity of the ongoing Kilauea eruption has caused great personal suffering and financial hardship and has contributed to uncertainty in the business community.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, Hawaii Island Board of Realtors, Inc., Hawaii Independent Insurance Agents' Association, Hawaii Insurers Council, Kona Board of Realtors, West Hawaii Independent Insurance Agents' Association, State Farm Insurance, Big Island Business Council, and one individual, all strongly supporting this bill.

At present, homeowner's insurance is unavailable for those areas of the Big Island affected by the Kilauea eruption. This affects approximately thirty-five per cent (35%) of land parcels owned on the Big Island.

This bill would create an association of property and casualty insurance companies licensed in Hawaii to provide fire insurance and extended coverage for real and personal property. At least initially, only property insurance would be offered by the association, which should be sufficient to satisfy lending institutions. Both residential and commercial properties will have to meet specific criteria before they will be insured by the association.

The association will be a separate entity from the Insurance Division, although the Insurance Commissioner will retain substantial oversight. Within a short time, the association will be self-funded, paying its own expenses from premiums collected.

An additional \$5.00 fee will, however, be added to each homeowner's policy in the State of Hawaii, for a three year period, to be paid into the association, and these fees will fund the administrative costs.

In order to avoid a situation wherein the association becomes the only insurer of properties in the hazard area, there is a provision requiring insurance companies with policies in force in the area to continue to renew those policies.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1777, HD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee except Representative Yoshimura.

**SCRep. 438 Energy and Environmental Protection and Intergovernmental Relations and International Affairs
on H.B. No. 1549**

The purpose of this bill is to have the counties establish a permanent household hazardous waste management system in coordination with the State.

Your Committees find that significant amounts of household hazardous waste are now being disposed of in solid waste disposal facilities due to the lack of a systematic collection and disposal system which will safeguard the environment.

Your Committees are in agreement that the counties in coordination with the State must establish a permanent household disposal as well as a reduction in the volume of hazardous waste. Your Committees also are in agreement that the State must conduct an interim program for collection and disposal of household hazardous waste pending the establishment of a permanent system, and would like an appropriation for this purpose.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1549, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 439 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.B. No. 1695

The purpose of this bill is to provide State grants to enable counties to foster and stimulate waste reduction and recycling efforts.

Your Committees find that the waste reduction and recycling thrust must begin with our youth. This can be done by having schools serve as collection centers for recyclable materials, together with a waste reduction and recycling emphasis in the schools' curriculum.

Your Committees find that the innovative recycling program, involving twenty schools on Oahu, is very successful in educating and fostering a recycling ethic among the participating school children, and are confident that its extension statewide would be equally productive. Your Committees find that the cooperative efforts between the City and County of Honolulu and the State agencies have been very successful in fostering and stimulating recycling, setting a worthy precedent for involving the other counties.

Your Committees have amended this bill to broaden its scope to include the funding of recycling, source reduction and resource recovery objectives.

Your Committees have further amended this bill by inserting an appropriation of \$1, since your Committees were uncertain about cost projections.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1695, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1695, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 440 Energy and Environmental Protection on H.B. No. 1971

The purpose of this bill is to appropriate funds for a site assessment and remediation study for the Kealakehe Landfill.

Your Committee finds that an ongoing fire at the landfill creates unpleasant smoke and odors which may be dangerous to the health and welfare of nearby residents, as well as preventing the construction of other homes in the vicinity. A site assessment to include closure project design is urgent as the first step if this environmental hazard is to be eliminated.

Your Committee has amended this bill by changing abatement project design to closure project design on line 11, and by inserting an appropriation of \$1. Your Committee has further amended this bill by designing Hawaii County as the expending agency, rather than the Department of Health, since solid waste management is a responsibility of the counties.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1971, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 441 Energy and Environmental Protection on H.B. No. 248

The purpose of this bill is to increase the income tax credit of all solar energy systems and heat pumps on units installed and placed in service after December 31, 1990.

The Legislature finds that the installation of energy-saving water heating devices would reduce the State's consumption of fossil fuels and the energy costs for residents. Solar energy systems are appropriate for single-family homes or multi-family homes with sufficient roof space. However, approximately half of the residents in Hawaii are renters and are unable to make costly capital improvements that they would leave when they move. Heat pumps are better suited for renters who can take the pumps with them or sell the pumps when they move.

Your Committee finds that H.B. No. 248 treats both solar energy systems and heat pumps equally by raising the income tax credit to fifty per cent of the cost of each energy-saving device. In this way, both homeowners and renters receive equal treatment.

Your Committee has amended this bill by establishing the maximum amounts of the credit for:

- (1) Solar energy systems for single-family residential buildings at \$3,000;
- (2) Solar energy systems for multiunit buildings used primarily for residential purposes at \$700 per building unit;
- (3) Heat pumps for single-family residential buildings at \$1,000; and
- (4) Heat pumps for multiunit buildings used primarily for residential purposes at \$500 per building unit;

in place of the blank figures.

Your Committee has further amended this bill to direct the Department of Business, Economic Development, and Tourism to prepare an informational bulletin describing solar energy systems and heat pumps and the expected savings in energy, the life expectancy of each device, necessary climactic conditions for optimum operation, and other pertinent information.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 248, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 442 Energy and Environmental Protection on H.B. No. 1450

The purpose of this bill is to appropriate funds for biomass research for energy and other uses.

Your Committee finds that increased biomass production for conversion to energy would decrease our dependence on oil for such generation. It will also open new employment opportunities in the areas of forestry and wood products, thereby contributing to the State's economy. Research may provide data for an alternate replacement to our dependence on oil, as well as for additional economic activities.

Your Committee has amended this bill by changing the appropriation to \$1 for the purpose of inserting a more accurate determination of costs at a later date.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1450, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 443 Energy and Environmental Protection and Health on H.B. No. 930

The purpose of this bill is to amend Section 291C-132, Hawaii Revised Statutes, by increasing the penalties for littering from vehicles.

Your Committees find that the permissive penalties for throwing or dropping litter from vehicles onto highways have not decreased this practice sufficiently. Your Committees feel that mandatory, rather than permissive, imposition of penalties for littering from vehicles will have a positive effect on decreasing the amounts of litter on our highways. This bill will make mandatory a fine of at least \$25 for each offense, plus the penalty of picking up litter for four hours for the first offense, and eight hours of picking up litter for each subsequent offense.

Your Committees on Energy and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 930 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Arakaki, Duldulao and Yoshimura.

SCRep. 444 Energy and Environmental Protection on H.B. No. 2144

The purpose of this bill is to provide a tax credit for any corporate resident taxpayer who purchases and uses recycling machinery in the reclaiming and preparation for the reuse of recyclable products and used oil. Recyclable products include paper products, glass, metals, plastics, textiles, plant debris, wood, demolition and construction materials, and rock. The amount of the tax credit is fifty per cent of the total cost of the machinery, and applies to taxable years after December 31, 1991.

Your Committee finds that, while certain products have been recycled with success in the State, due to Hawaii's location and more limited facilities, many products are not being recycled. In many cases, these products can be recycled; Hawaii just lacks the ability to do so. Your Committee finds that our landfills are shrinking at an alarming rate and that recycling can help slow down that rate by diverting products from landfills to a new life as useful products. This also benefits our economy to the extent that Hawaii residents use recycled products made here instead of importing new products from outside the State. This tax credit will encourage businesses to enter into the recycling field as it provides a tax credit of half the start-up cost of the machinery.

Your Committee also finds that used oil is a potent pollutant and is often discarded by consumers directly on the ground or dumped into the sewer system, which can lead to build up of the used oil in our potable water system. Hawaii's status as an island state makes it imperative that we protect our only source of fresh potable water. The dependence of Hawaii, and indeed the nation, on imported petroleum products would be decreased by the production of recycled oil for consumer use. The tax credit proposed by this bill will encourage businesses to recycle oil and to accept the used oil of others for recycling, thereby preserving two important resources, water and oil.

Your Committee has amended the bill by including standard language concerning the disposition of any credit in excess of liability and the time limits to claiming the credit. Your Committee has also made technical, nonsubstantive amendments to the bill for clarity and style.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2144, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 445 Energy and Environmental Protection on H.B. No. 957

The purpose of this administration bill is to amend Hawaii's environmental response or "superfund" law to enable the Department of Health to more effectively administer the State hazard evaluation and emergency response program. This bill incorporates various new provisions into Hawaii's superfund law, including provisions taken from the Comprehensive Environmental Response, Compensation and Liability Act and the Superfund Amendments and Reauthorization Act. This bill also makes housekeeping amendments to correct technical errors in the law.

Your Committee finds that although Act 298, Session Laws of Hawaii 1990 amended the State superfund law to establish a clearer, broader, and more comprehensive law, the controversial nature of the 1990 amendments left certain parties dissatisfied with the provisions of the State's law. This bill is a result of the State's effort to make various corrections to the law and to address the concerns of the business community with respect to the enforcement and implementation of the law.

While it recognizes the intent of this bill to create a law that would meet the standards of the State as well as satisfy the wishes and desires of the regulated community, your Committee finds that the primary purpose of the State's superfund law is to protect and maintain the quality of Hawaii's environment. Although the issues discussed and the amendments proposed in this bill deserve serious consideration, your Committee finds that the primary thrust of the State's environmental emergency response law should remain focused on preventing and mitigating environmental damage caused by releases of substances into the environment. It is not the desire of your Committee to authorize the passage of new and elaborate administrative and judicial procedures to ultimately make the law more palatable to potential polluters of the environment.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the proposed new section with respect to the apportionment of costs and the assignment of an orphan share by the court if that share cannot be allocated among the liable parties;
- (2) Deleting the new sections directed toward the Director of Health and the Attorney General with respect to the administrative review of orders, de minimis settlements, and ensuring the prevention of duplicative enforcement;
- (3) Deleting the proposed new definition of the term "contractual relationship";
- (4) Deleting the proposed amendments to the definitions of the terms "pollutant or contaminant", "release", "remedy or remedial action", and "remove" or "removal action"; and
- (5) Deleting the proposed amendments to the sections 128D-2, 128D-3, 128D-4, 128D-5, 128D-6, 128D-7, 128D-8, 128D-11, 128D-12 128D-15, 128D-16, and 128D-17, Hawaii Revised Statutes.

Your Committee has retained, in an amended form, the proposed provision authorizing any party that complies with any order of the director, to bring action for a concurrent review of the director's order in circuit court. While the provision has been retained in this bill, your Committee wishes to state that it accepts the concept of concurrent judicial review subject to the understanding that the duty of the party to comply with the full requirements of the director's order shall not be diminished to any degree until a ruling invalidating the order is issued by the court. Your Committee has amended the provision to require that the party objecting to any order issued by the director demonstrate that the order was arbitrary and capricious prior to being awarded relief by the court.

Your Committee has also amended the definition of "pollutant or contaminant" by deleting reference to the National Toxicological Program, the International Agency for research on Cancer, and the Chemical Abstracts Service Registry. This action clarifies the scope of the definition.

To ensure that the law retains the effect of deterring polluters from committing violations, your Committee has increased the fines payable by any person who fails to notify the department of any hazardous substance release within the period prescribed or knowingly releases a hazardous substance into the environment.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 957, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 446 Energy and Environmental Protection and Judiciary on H.B. No. 2142

The purpose of this bill is to establish an oil recycling program and a used oil recycling fund.

The Department of Business, Economic Development, and Tourism and the Recycling Association of Hawaii generally concurred with the intent of this bill. However, your Committees found the original intent of this bill overly bureaucratic, and have proposed a streamlined version that also contains some of the provisions in H.B. No. 1620.

As amended, this bill contains a deposit on the sale of motor oil and the establishment of a special fund. The proceeds of the fund are to be used to establish a statewide system for the collection, recycling, and disposal of used oil. There are also provisions for recycled oil and an incentive payment for recycling of oil.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 2142, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2142, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 447 Energy and Environmental Protection; Transportation; and Tourism on H.B. No. 896

The purpose of this bill is to amend Section 125C, Hawaii Revised Statutes, to improve the mechanism by which the Governor may ascertain an impending petroleum energy shortage.

Your Committees recognize that an energy shortage of petroleum products would have a major adverse impact on the economy, public order, or the health, welfare, or safety of the people of Hawaii. Your Committees find that when there is an increase in the demand for any petroleum product or there is a decrease in the available supply or both that such adverse impact may occur. Furthermore, your Committees find it desirable to require importers of any petroleum product or other fuel to monitor and report relevant supply and demand data to the appropriate government agency upon request.

Your Committees have amended this bill to correct a typographical error.

Your Committees on Energy and Environmental Protection, Transportation, and Tourism are in accord with the intent and purpose of H.B. No. 896, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 896, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives Chang, Kanoho and Yoshimura.

SCRep. 448 Energy and Environmental Protection on H.B. No. 65

The purpose of this bill is to amend section 103, Hawaii Revised Statutes, by: providing a 10 per cent procurement preference of recycled products; adopting the U.S. Environmental Protection Agency's guidelines for recycled products; and mandating paper recycling for all State agencies.

Testimony from the Department of Accounting and General Services (DAGS) indicated that section 103-24.5, Hawaii Revised Statutes, adequately addresses the procurement components of this bill. Accordingly, your Committee has amended this bill by deleting these provisions.

DAGS expressed support for the portion of the bill that established a recycling program for State agencies, therefore your Committee has retained this provision. Your Committee has determined that recycling should be promoted, and that a State agency recycling program is an effective method of promotion.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 65, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 449 Energy and Environmental Protection on H.B. No. 1699

The purpose of this bill is to establish the forest stewardship program to assist private landowners in managing, protecting, and restoring important watersheds, timber resources, fish and wildlife habitats, isolated populations of rare and endangered plants, and other lands that are not recognized as potential natural area reserves.

Much of the forest land in Hawaii is in private ownership and the capacity to protect important watersheds, native Hawaiian plants and animals, and produce renewable forest resources is significantly dependent on these private forest lands. Your Committee believes that stewardship of private forest lands requires a long-term commitment by the private landowners.

Your Committee has amended this bill by deleting the word "forest" from the definition of "Landowner" and section 6(c)(1), prior to the word "land". Your Committee feels this amendment would allow other types of land to fall within the scope of this bill. Section -6(c)(1) has been further amended for the purpose of clarification.

Your Committee has amended this bill by inserting language in section -6(a), to include in-kind services such as heavy equipment and existing sources of labor in lieu of cash for the landowner's share of cost management. Your Committee feels this amendment would allow a landowner the flexibility to use existing machinery, other equipment, and normal worker resources to accomplish management objectives.

Your Committee has also amended this bill by substituting the words "especially valuable" for the word "unique" in section 6(b)(4) of the bill. Your Committee received testimony expressing concerns that the word "unique" means one of a kind and if a proponent had to prove a resource is unique, this would almost be impossible.

Your Committee has further amended this bill by inserting language to require the department to submit an annual report to the Governor and Legislature.

Your Committee received recommendations to amend this bill to allow public input prior to approval of the management plan by the department. The department has formed an advisory commission which has environmental representation and will provide review of and recommendations on all management plans prior to approval. Your Committee feels that this advisory commission will allow public input prior to approval, so the amendment is not necessary.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1699, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 450 Energy and Environmental Protection on H.B. No. 270

The purpose of this bill is to conduct a statewide household hazardous waste collection project.

Your Committee finds that household hazardous waste collection and disposal projects conducted by the Department of Health have been very successful and have been greatly appreciated by residents. This bill would make an appropriation to provide for the collection and disposal of household hazardous waste, pending the establishment of a permanent system of collection and disposal.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 270, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 451 Energy and Environmental Protection on H.B. No. 446

The purpose of this bill is to establish a State Energy Commission to be attached to the Department of Land and Natural Resources for administrative purposes, and transferring the Energy Division of the Department of Business, Economic Development, and Tourism to this commission.

Your Committee finds the need for a more comprehensive and integrated State energy policy to achieve increased energy self-sufficiency and to effect economical and reliable energy systems capable of meeting Hawaii's present and future requirements.

Your Committee is concerned that the Energy Division of the Department of Business, Economic Development, and Tourism has concentrated on the economic effects of energy development, as would be expected of its placement in this department, devoting lesser attention to the social and environmental effects of developments of various energy systems. Your Committee finds that the Department of Land and Natural Resources would address the concerns of your Committee by paying more attention to the social and environmental effects of developing energy systems, and would be a better department to place an energy commission.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 446, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 452 Energy and Environmental Protection on H.B. No. 855

The purpose of this bill is to provide a twenty-five per cent income tax credit for the purchase of gray water recycling systems. The tax credit will encourage households to purchase recycling systems and therefore reduce their overall water consumption. Your Committee believes this bill will help to conserve water which is a particularly valuable resource.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 855 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 453 Energy and Environmental Protection on H.B. No. 1548

The purpose of this bill is to provide greater public participation in environmental impact statements by permitting public review after the initial environmental assessment, as well as after the negative declaration that an environmental impact assessment is unnecessary.

Your Committee finds that increased public participation in the environmental impact statement process will reduce conflicts when negative determinations are made, lessen costs attributable to unforeseen impacts, and reduce time lost by project delays due to inadequate assessments or the initiation of legal actions.

While some testimonies indicated that this bill was unnecessary or premature, your Committee members were in agreement that greater public involvement was essential in the preparation of environmental impact statements. Should changes in the procedures found in the present bill seem appropriate after the Environmental Center at the University of Hawaii completes its review and evaluation of Chapter 343, Hawaii Revised Statutes, they can be considered by the State Legislature at a later time.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1548 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 454 Energy and Environmental Protection and Consumer Protection and Commerce on H.B. No. 249

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$42,000,000 to finance the furnishing of electric energy by Kauai Electric Division of Citizens Utilities Company.

Your Committees find that the issuance of special purpose revenue bonds will assist the Kauai Electric Division of Citizens Utilities Company in providing electric service to the general public at less cost, due to the savings in interest cost under this arrangement, as opposed to conventional financing. Your Committees find that approval of the issuance of special purpose revenue bonds is in the public interest, since decreases in costs to the utility company will be reflected in lower rates paid by all consumers.

Your Committees have amended this bill by changing the expiration date in Section 6 to December 31, 1994 to make it consistent with the expiration date in Section 2.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 249, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 249, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 455 Water, Land Use and Hawaiian Affairs on H.B. No. 1230

The purpose of this bill is to impose affirmative duties on the three State agencies that have responsibilities over the use of water resources to reserve adequate amounts of those resources for current and future homestead uses by native Hawaiian homesteaders under the Hawaiian Homes Commission Act (HHCA). This bill imposes those duties on:

- 1) the Department of Hawaiian Home Lands when it allows the use of trust land for water development projects, under Section 220, HHCA;
- 2) the Department of Land and Natural Resources, when it issues leases of water from public lands, under HRS Section 171-58;
- 3) the Commission on Water Resources Management, when it has the authority to allocate water uses under HRS Chapter 174C.

Your Committee heard testimony from the Department of Hawaiian Home Lands, the State Council of Hawaiian Homestead Associations, the Native Hawaiian Legal Corporation, and Lela M. Hubbard.

In view of potential delays in settling significant numbers of native Hawaiians on homesteads, proper statutory safeguards must be in place to reserve adequate amounts of water resources to support both domestic and irrigation needs of homesteaders now and in the future. To fulfill its trust duties, the State must assure that these resources are reserved for these current and future homestead uses before other parties with greater financial resources establish uses for available but limited water resources.

Your Committee made several amendments to this bill to clarify its provisions.

Department of Hawaiian Home Lands. First, your Committee finds that it is appropriate to amend Section 220 and to place an affirmative duty on DHHL to uphold its fiduciary responsibility to native Hawaiian beneficiaries in allocating trust lands for water projects. These decisions are particularly crucial when they involve strategically located trust land that is used for water storage and transmission facilities for the general public, as it was in Waimea. Your Committee believes that DHHL would be upholding its trust duty to beneficiaries of the HHCA by reserving water to support all reasonable activities on current and foreseeable future homestead lands, during any negotiations involving Section 220, HHCA.

Thus, on page 4 of the bill, your Committee amended the proposed language in the bill to clarify that the duty to reserve water extends to domestic, aquaculture and stock water activities, to be consistent with Section 221(c), HHCA.

Department of Land and Natural Resources. Secondly, there was general agreement that the Department of Land and Natural Resources should consult with the Department of Hawaiian Home Lands before issuing any leases of water from public lands, as is permitted under HRS § 171-58. However, DHHL urged that language requiring the Hawaiian Homes Commission to approve all water leases imposes an unreasonable burden on all the parties. Other witnesses apparently disagreed.

Your Committee believes that merely imposing a condition on water permits under Section 174C-49, making them "subject to the rights of the Department of Hawaiian Home Lands", as that Department suggests, is too vague to adequately protect beneficiary interests. However, DHHL's suggestion that all water licenses be made subject to future withdrawal of water upon the demand of the Department is equally valid for water leases. Accordingly, your Committee has amended the bill on page 9 of the bill to add language in both section 171-58 and 174C-49 to make any future water licenses and water leases subject to this contingency, whether or not it is specifically in the terms of the permit or lease. Your Committee also added language to section 174C-49(a) on page 9 of the bill to require any applicant for a permit to demonstrate that his/her proposed water use will not interfere with the ability of homesteaders to use water on future homesteads.

Commission on Water Resources Management. Finally, as to the Water Commission, all witnesses are in apparent agreement that the Commission must adequately plan for water uses by homesteaders in the future. Your Committee believes that this duty is complementary to any duty imposed on DHHL.

Your Committee is also mindful of the operation of Chapter 174C, in which the Water Commission exercises regulatory power only over designated water management areas. In such situations, your committee has amended the bill on page 9 of the bill to require the Water Commission to impose a condition on all permits it issues that would allow the DHHL to withdraw water to provide adequate water for development of and use on Hawaiian Home Lands consistent with the HHCA. Where there is no designation, the Commission's ability to assure that adequate reservations of water are made is more limited. In addition to the changes on page 9 noted above, your Committee has amended the proposed language in Section 4 of the bill, as suggested by the DHHL. In addition, your Committee has further amended the bill to restore the proposed deletion of the reference to the Molokai irrigation system and corrected the reference to the appropriate statute, HRS chapters 167 and 168, since HRS chapter 175 was repealed.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1230, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bunda, Yoshimura and O'Kieffe.

SCRep. 456 Housing and Water, Land Use and Hawaiian Affairs on H.B. No. 1808

The purpose of this bill is to require the development of rental housing units, self-help single family units, and units constructed by quality, small-scale contractors in projects developed by the Housing Finance and Development Corporation (HFDC). This bill also requires that all lots developed pursuant to the self-help and small-scale contractor provisions of Section 201E-211, Hawaii Revised Statutes, be leased by the State at a lease rent rate of \$1 per year, with the State reserving buyback rights in perpetuity.

Your Committees received testimony in support of this bill from the Small Landowners Association and concerned citizens.

The HFDC, testifying against the bill, stated that the economics of each housing project must be determined on a case-by-case basis, with the mix of unit types and prices being flexible enough to make a project viable. Though concurring that working with smaller-scale contractors might reduce housing production costs in some instances, the HFDC felt that medium to larger-sized contractors or developers may be more appropriate in other instances.

Upon consideration of the testimony, your Committees have amended the bill as follows:

- (1) Clarified that lots developed by the HFDC under Section 201E-211(a)(2) and 201E-211(a)(3) shall be leased by the State under the following conditions:
 - (a) The lease term shall be for ninety-nine years;
 - (b) The lessee shall not sublet his or her interest in the lot or improvements thereon;
 - (c) Notwithstanding Section 201E-221, the lessee shall not transfer the lease during his or her lifetime; and
 - (d) Notwithstanding Chapter 516 or any other provision of the law to the contrary, each lease shall state that no right or privilege of purchasing the fee title to the land shall be created by the lease;
- (2) Provided for cancellation of the lease for violation of a lease condition after due notice and an opportunity for a hearing is afforded to the lessee;
- (3) Allowed the lessee's interest in the leasehold lot and improvements to vest only in the husband, wife, children, including adopted children, or grandchildren, upon the lessee's death;

- (4) Designated that units developed under Section 201E-211 (a)(3) shall be reserved for development of housing units for qualified residents and where feasible, such development shall be implemented by qualified, small-scale contractors;
- (5) Designated that rental units developed under Section 201E-211(a)(1) shall be reserved for qualified residents with gross incomes that are 100 percent or less of the median income of the county where the units are located; and
- (6) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Housing and Water, Land Use and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1808, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1808, HD 1, and be referred to the Committee on Finance.

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

SCRep. 457 Housing on H.B. No. 995

The purpose of this bill is to place a four-year moratorium on the conversion of existing residential rental housing structures to condominiums.

Your Committee received testimony in support of this bill from the Housing Finance and Development Corporation (HFDC), the Hawaii Housing Authority, and the Affordable Housing Alliance. The HFDC testified that while government is required to provide relocation assistance to displaced residents under Chapter 111, Hawaii Revised Statutes, Hawaii law does not require private sector developers who displace persons in the normal course of business to provide similar assistance.

The Hawaii Real Estate Commission expressed concern that the bill might prevent ohana zoning conversions. These conversions have afforded families a way to add a second residential unit with separate ownership, mortgages, and taxation for another family member.

Your Committee has amended the bill by:

- (1) Clarifying that the moratorium shall be placed on existing structures and units used for residential rental purposes;
- (2) Clarifying that the moratorium shall not apply to ohana zoning conversions;
- (3) Requiring the Hawaii Housing Authority to submit a report to the Legislature at least twenty days prior to the Regular Session of 1994 which shall include the following:
 - (a) An assessment of the impact of the moratorium;
 - (b) An assessment of incentives that could be developed to promote rental housing stock preservation;
 - (c) Recommendations developing and establishing incentives for rental housing stock preservation in Hawaii; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 995, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Amaral.

SCRep. 458 Housing on H.B. No. 1542

The purpose of this bill is to appropriate funds to purchase the Queen Emma Gardens apartments located in downtown Honolulu.

Your Committee received testimony in support of this measure from the Queen Emma Gardens Tenants' Association and a resident of the Queen Emma Gardens apartments. However, both the Department of Housing and Community Development of the City and County of Honolulu and the Housing Finance and Development Corporation (HFDC) testified that this bill was not necessary at this time because of efforts by the City and County of Honolulu to acquire this property.

However, in light of the uncertainty of success in the City and County of Honolulu's pending litigation, your Committee has decided to report this bill out for continued discussion and consideration.

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

- (1) Changing the means of funding by authorizing the purchase of Queen Emma Gardens apartments with special revenue bonds should the City and County of Honolulu fail in its efforts to acquire the apartments;

- (2) Requiring the HFDC to first take action to obtain prior commitment from the City and County of Honolulu to relinquish its reversionary interests in the project, prior to negotiating with the owner or trustee of the Queen Emma Gardens apartments; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1542, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Amaral.

SCRep. 459 Housing and Water, Land Use and Hawaiian Affairs on H.B. No. 1981

The purpose of this bill is to change the Housing Finance and Development Corporation's Dwelling Unit Revolving Fund to an equity fund.

Your Committees received testimony in opposition to this measure from the Housing Finance and Development Corporation because a revolving fund is self-perpetuating in character while an equity fund would require additional infusions of capital. The testimony further stated that at \$50,000 per unit for infrastructure costs, the \$60,000 presently in the fund is only enough for predevelopment costs on 1,200 units.

Your Committees asked that the Housing Finance and Development Corporation provide cost breakdowns on the \$50,000 per unit cost for infrastructure.

Your Committees have amended the bill to provide that the State will forgive interest and principal on the general obligation bonds for the Dwelling Unit Equity Fund. Your Committees also amended the bill by adding a new Section 1 and changing the existing Sections 2 and 3 to Sections 3 and 4. The new Section 1 amends Section 201E-203 to change reference to the Dwelling Unit Revolving Fund to the Dwelling Unit Equity Fund.

Your Committees stated in its deliberations that the object of the State is to move with the greatest practical speed in the production of the necessary units to alleviate the present critical housing shortage.

Your Committees on Housing and Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1981, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1981, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Amaral, Bunda, Yoshimura, O'Kieffe and Thielen.

SCRep. 460 Housing on H.B. No. 101

Your Committee on Housing heard testimony from the Hawaii County Economic Opportunity Council in strong support of the Act. The Council pointed out great benefit to those future homeowners, especially on the Big Island of Hawaii, which is most vulnerable to natural disasters and which has experienced the greatest loss from such disasters.

Your Committee finds that the utilization of housing which is capable of being moved within 48 hours will provide for utilization of certain high risk areas for housing without additional risk of the loss of homes.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 101, HD 1, and recommends that it pass Second Reading and be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee.

SCRep. 461 Energy and Environmental Protection and Agriculture on H.B. No. 788

The purpose of this bill is to strengthen the Department of Agriculture's efforts to control or eradicate pests which may pose a threat to Hawaii's agriculture and environment.

Your Committees recognize the importance of timely intervention against pests to safeguard the economy of our State, as well as the quality of its environment. Your Committees find that landowners sometimes show reluctance or refuse to cooperate in the implementation of the Department of Agriculture's pest control and eradication programs. Lack of cooperation has hampered efforts to control such pests as banana bunchy top disease and papaya ringspot virus.

Your Committees find that legal recourse for entering property to intervene against pests when the owners refuse such entrance will help safeguard the State's economy and environment. Your Committees also find it desirable to penalize landowners or land occupiers who fail to cooperate with the Department of Agriculture by assessing them the expenses accrued for pest control or eradication on their premises, plus fines for failing to abide by laws and rules designed for this purpose.

Your Committees have amended this bill by retaining the provision that the State may proceed without prior notice or upon a minimum of forty-eight hours notice and hearing to adopt an emergency rule for the eradication of a pest, since there may be occasions when immediate attention is required.

Your Committees have further amended this bill to assess costs against landowners who fail to cooperate with the Department of Agriculture in either of its pest control or eradication programs.

Your Committees on Energy and Environmental Protection and Agriculture are in accord with the intent and purpose of H.B. No. 788, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 788, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Chang, Kanoho and Yoshimura.

SCRep. 462 Energy and Environmental Protection on H.B. No. 78

The purpose of this bill is to require the use of solar energy devices for certain buildings.

Your Committee believes that using solar energy for water heating may help to reduce the State's reliance on imported fuels.

This bill would require the Housing Finance and Development Corporation to require the installation of energy saving devices to heat residential water in any housing project which is developed with State funds, located on State lands, or subsidized by the State.

After consideration of this measure, your Committee has amended the bill to exempt from the requirements of this bill:

1. Projects developed by the corporation on behalf of the Hawaii Housing Authority. Your Committee heard testimony from the Authority which stated that there may be federal projects which have State assistance. Your Committee feels that federal regulation may preempt State law.
2. Projects developed by nonprofit corporations. Your Committee believes that the primary goal of housing developed by nonprofit corporations is to provide housing. If funds that would have gone to develop more units are compromised because of requirements to install solar energy devices, then your Committee feels those funds should be used to build more units.
3. Where use of a solar energy device is a physical impossibility. Your Committee believes that there may be situations which are not conducive to installing solar energy devices. For example, in areas which are rainy or where the building may be situated as to deny solar light to the device, installing solar energy devices may not be practicable.

Your Committee heard testimony in favor of including heat pumps to this bill. Your Committee has also amended this bill to include heat pumps because heat pumps may be used, in appropriate situations, in lieu of solar water heaters.

Your Committee also heard testimony in regard to high efficiency gas water heaters. Your Committee finds that high efficiency gas water heaters may potentially be another type of energy saving device and should be considered.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 78, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 463 Energy and Environmental Protection and Health on H.B. No. 837

The purpose of this bill was to appropriate funds for the State Litter Control Office to provide training and support for volunteer litter control coordinators and groups through a national network of litter control programs.

Your Committees find that many community groups are becoming involved in litter control, clean-up and community work day projects throughout the State. These efforts to improve the beauty and sanitation of the environment are commendable. Your Committees find that training and support would increase the effectiveness of volunteer coordinators and groups, as would be provided in this bill.

Your Committees have amended the bill by reducing the appropriation to \$1 for the fiscal period 1991-1993 for the purpose of inserting more accurate determinations of cost at a later date.

Your Committees on Energy and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 837, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 464 Energy and Environmental Protection and Health on H.B. No. 955

The purpose of this bill is to:

- (1) Make certain "housekeeping" amendments to Section 342D-54, Hawaii Revised Statutes, relating to grants for the construction of necessary wastewater treatment works; and
- (2) Require that an applicant for a loan or grant provide reasonable assurance that an impact fee structure will be instituted to ensure that new developments will pay for their appropriate share of the costs of the wastewater treatment works.

The second portion of this bill is necessary due to the phase out of the federal financial assistance program and the shortage of State funds to assist the counties in financing wastewater infrastructure needs. Because it is necessary for the counties to look to alternative sources of funding, new developments should pay their fair share of such costs.

The Department of Health recommended that this bill be amended to incorporate the provisions of H.B. No. 652 (Relating to Low-Volume Toilet Fixtures) that any agency receiving State funds from the Water Pollution Control Revolving Fund be required to install low-flow plumbing fixtures in all new residential and commercial construction.

Your Committees concur with this recommendation and have inserted the following new paragraph (5) on page 2, line 15 of the amended bill:

The State or county agency receiving these State funds requires the installation of the low flow water fixtures and devices for faucets, hose bibbs, showerheads, urinals and toilets which shall be approved by the International Association of Plumbing and Mechanical Officials and shall comply with applicable American National standards and such other standards as may be required by the respective county for all new residential and public buildings beginning July 1, 1992.

Your Committees have further amended this bill to correct technical drafting errors.

Your Committees on Energy and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 955, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 955, HD 1, and be referred to the Committee on Water, Land Use and Hawaiian Affairs.

Signed by all members of the Committees except Representative Yoshimura.

SCRep. 465 Energy and Environmental Protection on H.B. No. 932

The purpose of this bill is to bring the State of Hawaii in compliance with requirements of the federal Surface Water Treatment Rule which requires that all water systems be operated by qualified personnel.

Your Committee is aware of growing concerns about various drinking water contaminants, and increasing complexities of water treatment technologies, making it essential that qualified persons hold positions as water treatment plant operators. Your Committee finds that mandatory certification of water treatment plant operators will assure that these personnel are qualified for the responsibilities inherent in their positions.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 932 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 466 Energy and Environmental Protection on H.B. No. 936

The purpose of this bill is to restrict the sale of plumbing fixtures to low flow water plumbing fixtures such as faucets, hose bibbs, shower heads, urinals and toilets with a flush volume of 1.6 gallons of water or less beginning July 1, 1992.

Your Committee finds that Hawaii must conserve its precious water resources. Low flow water fixtures will result in a magnitude of water conservation and wastewater minimization that will conserve our limited fresh water resources.

Your Committee heard testimony on this bill and H.B. No. 652. After consideration, your Committee feels that H.B. No. 652 would be a better bill to recommend for passage, if other low flow water fixtures were included within that bill. However, the title of H.B. No. 652 is restricted to low volume toilet fixtures. Therefore, your Committee has inserted the substantive contents of H.B. No. 652 into this bill and included amendments to cover other types of low flow water fixtures.

Your Committee does not believe that the restrictions of this bill, as amended, should apply in situations where high flow water fixtures are needed, for example in hospitals. Your Committee has included language which would require the low flow water fixtures to be approved by the Director of Health to allow the Director the discretion to determine reasonable exceptions to the restrictions.

Your Committee feels that the plumbers and distributors should be allowed to sell their present inventory prior to the effectiveness of this measure. Your Committee has extended the starting period of the restriction to July 1, 1993 to allow the plumbing industry and others more time to prepare for the restrictions.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 936, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 467 Energy and Environmental Protection on H.B. No. 2140

The purpose of this bill is to provide an appropriation to the Hawaii Nature Center for the establishment of nature centers on the islands of Maui and Hawaii.

Your Committee finds that the Hawaii Nature Center has been providing excellent educational and interpretive programs for elementary school children for the past ten years. The Hawaii Nature Center has been a success on Oahu, and your Committee feels these programs should be expanded to other island communities.

Your Committee has amended this bill by including language to indicate that the funds appropriated would be a grant-in-aid to the Hawaii Nature Center.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2140, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 468 Energy and Environmental Protection on H.B. No. 269

The purpose of this bill is to appropriate funds to assist individuals in developing proposals on methods or programs specifically related to recycling.

Your Committee finds that there is a growing need for new recycling initiatives in Hawaii as landfills become filled and inasmuch as present efforts are insufficient for meeting our solid waste management problems. A key component in reducing the volume of waste generated in our State is recycling.

Your Committee further finds that individuals in the community are concerned about reducing the volume of waste products and they have ideas for achieving this goal. Funds appropriated by this bill will enable these individuals to develop their proposals on methods or programs to enlarge upon and improve the State's recycling efforts.

Your Committee has amended this bill to designate the Business Development and Marketing Division of the Department of Business, Economic Development, and Tourism as the expending agency, rather than the Division of Energy, since recycling is a business rather than an energy program.

Your Committee has also amended this bill by inserting the sum of \$1 for the purpose of making a more accurate determination of the costs at a later date.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 269, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 469 Judiciary on H.B. No. 237 (Majority)

The purpose of this bill is to make an appropriation to study the feasibility of creating public storage facilities for petroleum products.

Your Committee received testimony from the Department of the Attorney General, the Department of Business, Economic Development and Tourism, and the Hawaii Automobile and Retail Gasoline Dealers Association. Your Committee agrees that barriers exist to the supply of petroleum products to the State which results in very little true price competition. This bill looks to the establishment of public storage facilities. A public terminal would eliminate the existing control of the incumbent oil companies over storage. By doing so, it would remove a significant block to new competitors bringing low price mainland gasoline to Hawaii.

Your Committee has amended this bill by inserting \$1.00 for the appropriation amount.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 237, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 237, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.
(Representatives Thielen and Ward did not concur.)

SCRep. 470 Human Services and Health on H.B. No. 996

The purpose of this bill is to amend the expenditure ceiling for Nursing Home Without Walls services to the amount authorized by the federal Health Care Financing Administration.

Under present law, expenditures are limited to not more than seventy-five percent of the annual medicaid cost to maintain the Nursing Home Without Walls services at their appropriate level of institutional care. Medicaid cost is determined by the Department of Human Services.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 996 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bainum and Peters.

SCRep. 471 Human Services on H.B. No. 1352

The purpose of this bill is to mandate counseling for children when there has been a domestic violence arrest in the home.

Your Committee received favorable testimony from Marguerite Peach of the Hawaii Pacific Division of the American Association of University Women, Family Peace Center, and others.

This bill has been amended to appropriate the sum of \$1 for fiscal year 1991-1992 so further discussion can take place on the measure in Finance.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1352, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 472 Human Services on H.B. No. 890

The purpose of this bill is to amend Act 337, section 9 to make certain that the balance of appropriated monies is deposited into the Year of the Family Celebration Trust Fund.

Your Committee has received favorable testimony from the Office of Children and Youth regarding that the funds not lapse, and that it be deposited into the trust fund to be used toward the 1992 Year of Family Celebration.

Your Committee realizes that we are a diversified state in ethnic entities and customs. These funds will be used to emphasize the activities, characters, customs, pride and specialties of the families of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 890 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 473 Human Services on H.B. No. 609

The purpose of this bill is to amend Section 571-14, Hawaii Revised Statutes, as of January 1, 1992, regarding the exclusive original jurisdiction of Family Court, by:

- (1) Including under the Court's jurisdiction Section 709-903.5, Hawaii Revised Statutes, on the offense of endangering the welfare of a minor in the first degree;
- (2) Including under the Court's jurisdiction felony offenses against the person of the defendant's husband or wife; and
- (3) Eliminating the restriction of the Court's jurisdiction to domestic abuse protective orders where there is a violation of an order issued by the Court pursuant to Chapter 586, Hawaii Revised Statutes.

The Judiciary testified in strong support of the bill which proposes to clarify the Family Court's jurisdiction over adults. According to the testimony, Family Court has always had exclusive jurisdiction over the offense of endangering the welfare of a minor. The endangering the welfare of a minor statute was amended in 1986 and split into two separate statutes. The new statute which created the offense of endangering the welfare of a minor in the first degree was not included under Family Court's jurisdiction. This bill corrects the situation.

Family Court currently has jurisdiction over misdemeanor offenses committed by a defendant against the person of the defendant's spouse. The bill authorizes Family Court to also hear felony offenses committed by a defendant against the person of the defendant's spouse.

Also, Family Court's orders issued pursuant to the domestic abuse statutes are of two types: temporary restraining orders and protective orders. The bill deletes existing language of the statute which may restrict the Court's jurisdiction to violations of only domestic abuse protective orders issued by the Court.

Your Committee has amended the bill by:

- (1) Deleting an amendment to Section 571-14, Hawaii Revised Statutes, for technical purposes;
- (2) Providing an amendment to Act 381, Session Laws of Hawaii 1989 (as amended by Acts 144 and 234, Session Laws of Hawaii 1990), which amends Section 3 and Section 7 of the Act, in order to effectuate the bill's intended amendments to Section 571-14, Hawaii Revised Statutes, and thereby carry out the purposes of this bill; and
- (3) Making a few technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 609, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 474 Human Services on H.B. No. 1961

The purpose of this bill is to appropriate \$2,500,000 for fiscal year 1991-1992 and \$2,800,000 for fiscal year 1992-1993, to the Department of Human Services for children in need of child care services because of child abuse or neglect, low-income developmental delays, or employment reasons.

There were numerous testimony received by your Committee in support of the bill.

The Department of Human Services (DHS) testified that the appropriations in this bill are not necessary under the circumstances. DHS explained that child care funds were inadvertently transferred from SOC 111 to HMS 301 instead of HMS 302 when SOC 111 was divided into separate programs for the biennium, and that funds for child care services will be restored in HMS 302. DHS assured your Committee that the moneys are already available in its budget to cover all of the services falling under the purposes of the bill.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1961 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 475 Human Services on H.B. No. 485

The purpose of this bill is to appropriate funds for the establishment of an organic gardening program for inmates incarcerated in Hawaii's prisons.

Supportive testimony was offered by the Department of Public Safety.

Your Committee has amended this bill by revising the appropriation to \$59,000.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 485, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 476 Human Services on H.B. No. 22

The purpose of this bill is to amend Section 350-2, Hawaii Revised Statutes, to require the Department of Human Services (Department) to expunge from its central registry all reports of child abuse or neglect where:

- (1) The allegations contained therein are found by the Department to be unsubstantiated;
- (2) Child protective proceedings under Chapter 587, Hawaii Revised Statutes, are dismissed by order of the family court; or
- (3) The Department deems expungement to be otherwise appropriate.

Your Committee received testimony in support of this bill from the Department, a private attorney, and others.

The Department indicated that while there is a nationwide trend to expunge unsubstantiated child abuse and neglect cases, there is wide variation among the states about how and when expungement should occur.

Additionally, the Department recommended deletion of that portion of the bill which would allow expungement in all cases where a dismissal has been obtain by a Chapter 587 family court order. Such a dismissal does not necessarily mean that a case is unsubstantiated since the court may dismiss a case for a variety of reasons including unavailability of key witnesses or the divorce of the parties.

The Department of the Prosecuting Attorney of the City and County of Honolulu, testifying in opposition to the bill, stated that if reports are expunged, prosecutors and social workers will not have a complete past history of the case to determine if there is a serious pattern of abuse and if intervention for the protection of the child is necessary. The Department of the Prosecuting Attorney also stated that because of the complexity of some family situations, it is often difficult for a social worker to substantiate allegations of child abuse. Frequently, the non-abusive parent and the child victims are unwilling or too fearful to report against an abusive parent.

Other testimony vividly related the painful trauma families are forced to endure under the current law which allows all unsubstantiated reports against a family member to remain in the Department's central registry.

After careful consideration of the testimony, your Committee has amended the bill as follows:

- (1) Required prompt expungement of reports only in cases where:
 - (a) The Department has found the allegations contained therein to be frivolous or to have been made in bad faith; or
 - (b) The petition arising from the report has been dismissed by order of the family court after an adjudicatory hearing on the merits pursuant to Chapter 587, the Child Protective Act;
- (2) Allowed the person accused of child abuse or neglect to petition the Department for expungement of a report where, after full investigation of the allegations contained in a report, the Department determines that further action on the case not warranted; and
- (3) Made technical, nonsubstantive amendments to the bill for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 22, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 22, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 477 Human Services on H.B. No. 262

The purpose of this bill is to appropriate funding of \$256,000 for fiscal year 1991-1992 to support and enhance the nutrition education services provided by the Expanded Food and Nutrition Education Program, administered by the Cooperative Extension Service of the University of Hawaii, to low-income residents in Hawaii. This funding would match federal appropriations for the program and would be used to meet the needs of individuals and families which the program cannot serve through the federal funding. The funds would specifically be used for the following: (1) a tenure track nutrition specialist position; (2) a clerk-steno position; (3) six-and-a-half full-time paraprofessional positions; (4) operational expenses of \$37,000 per year; (5) an APT-2 "bachelor level" position; (6) a part-time clerk-typist position; and (7) one-and-a-half student help positions.

Very favorable testimony in support of the bill was received from members of the community, including an elementary school principal, organizations, and individuals who have benefitted from the program. The University of Hawaii also testified in favor of the bill, but conditioned its support on having the funds appropriated as additional funding to the University's budget.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 262 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 478 Human Services on H.B. No. 398

The purpose of this bill is to amend Section 587-21, Hawaii Revised Statutes, to provide for the appointment of a guardian ad litem to represent the child's interest in cases where the Department of Human Services and the child's parents have agreed to voluntarily place the child in foster care.

Your Committee received testimony in support of this bill from the Department of Human Services and counsel to the Volunteer Guardian Ad Litem Program.

The testimony indicated that current law, which does not provide for the appointment of a guardian ad litem in voluntary foster care placement cases, can result in the child's languishing in foster care for years. With the appointment of a guardian ad litem as proposed by this bill, the child would have an independent representative to advocate for the child's rights to assure that the child receives necessary care and services, as well as a prompt and appropriate resolution of his or her case.

Your Committee has amended the bill by making technical amendments for the purpose of clarity; no substantive changes were made.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 398, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 479 Human Services on H.B. No. 205

The purpose of this bill is to amend Section 801D-4, Hawaii Revised Statutes, to inform victims and witnesses by the Department of Public Safety of changes planned by the Department in the custodial status of the offender that allows or results in the release of the offender into the community, including escape, furlough, work release, placement on supervised release, release on parole, release on bail bond, release on appeal bond, and final discharge at the end of the prison term.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 205 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bainum, Duldulao and Peters.

SCRep. 480 Human Services and Housing on H.B. No. 942

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, to establish a homeless shelter stipend program that provides emergency and transitional shelters with a flexible funding mechanism to assist in covering operating costs.

Your Committees received testimony in support of this bill from the Homeless Concerns Committee, the Department of Human Services; the Honolulu Community Action Program, Inc.; SMS Research; Homeless Aloha, Inc.; Care-a-Van; the East Hawaii Coalition for the Homeless, Inc.; the Hawaii Ecumenical Housing Corporation; Homeless Ohana Association of Hawaii; Catholic Charities of the Diocese of Honolulu; the Salvation Army; Maui Catholic Charities; the East Side Outreach Center (Kauai); and the Hawaii Council of Churches.

The Department of Human Services testified that the new funding mechanism would provide private agencies with up to \$350 per month for housing and services to a homeless family unit of up to four members. The private agency operating the shelter would use this income, together with revenues from the tenants, federal government, and other sources, to cover its operating costs. The Department also testified that the stipend program replaces the current chapter 42 method of providing the State's share of costs for these shelter services.

The Homeless Concerns Committee requested, among other things, that the bill be amended to include appropriation measures.

Upon consideration of the testimony, your Committees have amended the bill by:

- (1) Amending Chapter 346 to allow stipend moneys to be used for outreach services to the unsheltered homeless;
- (2) Amending Chapter 346 to allow moneys collected from shelter tenants to be deposited into a savings account for distribution to homeless families upon leaving the shelter;
- (3) Appropriating \$3,000,000 for fiscal year 1991-1992 and \$4,000,000 for fiscal year 1992-1993 for the homeless shelter stipend program and directing that these moneys be expended by the Department of Human Services;
- (4) Appropriating \$500,000 for fiscal year 1991-1992 and \$525,000 for fiscal year 1992-1993 to contract with provider agencies for homeless outreach programs and directing that these moneys be expended by the Department of Human Services;
- (5) Appropriating \$150,000 for fiscal year 1991-1992 and \$124,960 for fiscal year 1992-1993 to administer the emergency grants program and directing that these moneys be expended by the Department of Human Services;
- (6) Authorizing the Director of Finance to issue general obligation bonds in the sum of \$7,210,000 to be appropriated for fiscal years 1991-1992, 1992-1993, and 1993-1994 for plans, design, construction, and land costs pertaining to the following capital improvement projects:
 - (a) Housing for homeless families in West Hawaii;
 - (b) Housing for homeless families and singles on Maui;
 - (c) Renovation of an existing unit next to the Maililand transitional facility on Oahu; and
 - (d) Housing for homeless persons with special needs in Honolulu;
- (7) Indicating that the foregoing capital improvement project moneys be expended by the Hawaii Housing Authority;

- (8) Indicating that the Act takes effect on July 1, 1991; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Human Services and Housing are in accord with the intent and purpose of H.B. No. 942, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 942, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell and Peters.

SCRep. 481 Human Services on H.B. No. 1845

The purpose of this bill is to appropriate funds to enable the medicaid program to implement coverage authorized by Act 202, Session Laws of Hawaii 1990.

Your Committee has received favorable testimony from the Committee on Welfare Concerns, Honolulu, Community Action Program, Inc., Hawaii Healthy Mothers, Healthy Babies, and others.

Your Committee has amended the bill to appropriate the amount of \$1,997,573 for fiscal year 1991-1992 to enable such implementation to take place.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1845, HD 1, and be referred to the Committee on Finance.

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

SCRep. 482 Human Services on H.B. No. 124

The purpose of this bill is to disregard any payment, other than wages, for services to or on behalf of, or any benefit received by a participant in a voluntary or involuntary work program conducted by the department or any participant who obtains employment through personal initiative.

Your Committee received favorable testimony from the Department of Human Services with only one change recommended. The proposed change in subsection (h) has been deleted because it is already a part of the current statute.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 124, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 483 Human Services on H.B. No. 264

The purpose of this bill is to increase Medicaid reimbursement to medical care providers from the current rate of fifty-six percent of customary fees to sixty-five percent of customary fees.

Your Committee received testimony in strong support of this bill from the Hawaii Medical Association, the Hawaii Dental Association, the Hawaii Public Health Association, the Mental Health Association of Hawaii, the Senior Citizens Club of Waimanalo, the Hawaii Federation of Physicians and Dentists, and others.

The Hawaii Medical Association testified that physicians, dentists, and other health care providers cannot afford to continuously subsidize a state/federal program with reimbursement rates that do not even cover the providers' office overhead expenses.

Testifying in support of the intent of the bill, the Department of Human Services (Department) indicated that low reimbursement rates have contributed to reduced access to health care on the Neighbor Islands, especially with regard to certain service specialties. The Department felt that an increase in provider reimbursement would help reduce further decline in provider participation and estimated that the proposed reimbursement increase would cost the State \$4,759,349 for fiscal year 1991-1992.

Your Committee has amended the bill by filling in the blank appropriation with the \$4,759,349 figure provided by the Department.

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

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 264, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 484 Human Services on H.B. No. 434

The purpose of this bill is to amend Section 706-662, Hawaii Revised Statutes, to subject a convicted defendant who has knowingly distributed a controlled substance for profit to either a person under eighteen years of age or a mentally defective person to an extended term of imprisonment under Section 706-661, Hawaii Revised Statutes, when necessary for protection of the public.

Your Committee received testimony in support of this bill from the Police Department of the City and County of Honolulu. This testimony indicated that minors and mentally disabled persons who use illicit drugs are at great risk of suffering physical and mental detriment from such use. The proposed extended term will force dealers to think twice before selling illicit drugs to this vulnerable segment of the population.

Your Committee has amended this bill by replacing all references to "mentally defective" with "mentally disabled" and defining "mentally disabled" as a person suffering from a disease, disorder, or defect which renders the person incapable of appraising the nature of his or her conduct.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 434, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Amaral, Bainum, Duldulao and Peters.

SCRep. 485 Human Services on H.B. No. 533

The purpose of this bill is to appropriate funds to establish the Parents as First Teachers Program within the Healthy Start and Families for R.E.A.L. Project.

Your Committee has amended this bill to appropriate the sums through the Office of Children and Youth, rather than the Department of Health.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 533, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 486 Human Services on H.B. No. 1487

The purpose of this bill is to amend Section 346-53(c), Hawaii Revised Statutes, to provide an increase in the rate of payment for the different levels of domiciliary care provided to recipients eligible for either federal Supplemental Security Income or public assistance in accordance with State standards, or both.

Your Committee received testimony in strong support of this bill from several adult residential care home operators. This testimony emphasized the integral role which care home operators have in enabling many physically handicapped, mentally handicapped, and elderly persons to live with dignity in a family setting that meets their special care needs. This testimony also stressed the difficulties many care home operators face in meeting expenses under current levels of payment for domiciliary care.

The Department of Human Services, testifying in support of the intent of the bill, informed your Committee that the proposed 100 percent increase in the rate of payment for the different levels of domiciliary care would require funding in the amount of \$3,410,052 for fiscal year 1991-1992.

Upon further consideration, your Committee has raised the rate of payment for adult residential care homes by 50 percent as follows:

- (1) Facility I: not less than \$105 for level of care I;
- (2) Facility I: not less than \$157.50 for level of care II;
- (3) Facility I: not less than \$217.50 for level of care III;
- (4) Facility II: not less than \$186 for level of care I;
- (5) Facility II: not less than \$157.50 for level of care II; and
- (6) Facility II: not less than \$217.50 for level of care III.

Your Committee has also amended the bill by appropriating \$1,705,026 for fiscal year 1991 to 1992 to cover the aforementioned rate increases.

Finally, your Committee has made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1487, HD 1, and be referred to the Committee on Finance.

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

SCRep. 487 Human Services and Health on H.B. No. 160 (Majority)

The purpose of this bill is to appropriate funds to educate families of the mentally ill so that they will be able to understand and provide for their mentally ill family members.

Your Committees have amended the bill to change the expending agency from Department of Human Services to the Department of Health. The amount of \$70,000 has been inserted into the bill as the amount of the appropriation.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 160, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 160, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.
(Representative Amaral did not concur.)

SCRep. 488 Human Services on H.B. No. 1516

The purpose of this bill is to appropriate \$140,000 for fiscal year 1991-1992, and \$171,500 for fiscal year 1992-1993 to be expended by the Executive Office on Aging for the statewide expansion of the Seniors Actively Volunteering in Education (SAVE) program to train volunteers and older adults to work with students, teachers, administrators, and staff in Hawaii's public schools.

Supportive testimony was offered by the Executive Office of Aging; Catholic Charities of the Diocese of Honolulu; the Volunteer Information and Referral Service; Liholiho Elementary School; Lanakila School; the SAVE Advisory Council members; concerned parents; and volunteers of the SAVE program.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1516 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 489 Human Services on H.B. No. 1861

The purpose of this bill is to establish a two-year demonstration project of a centralized family support and respite development program. The program is so named to reflect that it is charged with the development of a multi-faceted program serving families.

Your Committee has amended the bill to appropriate out of the general revenues the sum of \$1 for fiscal year 1991-1992 and \$1 for fiscal year 1992-1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1861, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 490 Human Services on H.B. No. 1868

The purpose of this bill is to establish one full-time equivalent (1.00 FTE) permanent occupational therapist III position, and to convert two temporary social services assistant IV positions to permanent positions within the services for the Blind Branch of the Department of Human Services.

Your Committee received testimony in support of this bill from the Aloha Council of the Blind and Visually Impaired, Hawaii's Families of the Deaf-Blind, the Ho'opono Rehabilitation Center for the Blind and Visually Impaired (Ho'opono), clients of Ho'opono, and concerned citizens.

A client of Ho'opono testified that the successful integration of a sensory handicapped individual rests upon the person's ability to be mobile, to utilize transportation systems, and to learn job, interaction, and personal grooming skills. The requested positions are necessary for the continued provision of services which offer these types of assistance to sensory handicapped individuals.

Ho'opono requested that the bill be amended to establish an additional social service assistant IV position to further assist deaf-blind clients to integrate into the community.

Your Committee finds that the State's ability to develop and provide quality care, and necessary training to persons with sensory handicaps is seriously hampered by a lack of personnel to provide these necessary services. Accordingly, your Committee has amended this bill by:

- (1) Establishing an additional full-time equivalent (1.00 FTE) permanent social service assistant IV position for the Blind Branch of the Department of Human Services;
- (2) Increasing the appropriation amount by \$23,000 for fiscal year 1991-1992 and \$23,000 for fiscal year 1992-1993 to accommodate the added position; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1868, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 491 Human Services on H.B. No. 1876

The purpose of this bill is to authorize the issuance of general obligation bonds and makes appropriations for capital improvement projects pertaining to human service.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1876 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 492 Human Services on H.B. No. 1940

The purpose of this bill is to:

- (1) Transfer the functions and duties of the Juvenile Justice Interagency Board (JJIB), with the exception of the Juvenile Justice Information System, from the Department of the Attorney General to the Office of Youth Services (OYS);
- (2) Create four regional advisory boards within the OYS to replace the JJIB;
- (3) Repeal the Oversight Committee of the OYS; and
- (4) Create four regional director positions within the OYS.

Your Committee received testimony in support of the intent of this bill from the OYS, the JJIB, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the University of Hawaii.

Upon consideration of the foregoing testimony, your Committee has amended the bill by:

- (1) Clarifying that Juvenile Justice Delinquency Protection Act grant funds may be used by the OYS;
- (2) Clarifying that all positions transferred from the JJIB to the OYS shall be transferred in their present state;
- (3) Clarifying that the four regional director positions established by the bill are civil service positions;
- (4) Directing that each regional advisory board shall include three rather than four lay persons;
- (5) Requiring that the Oahu regional advisory board include a representative from the University of Hawaii;
- (6) Requiring that the Maui regional advisory board include a representative from Maui Community College;
- (7) Requiring that the Kauai regional advisory board include a representative from Kauai Community College;
- (8) Requiring that the Hawaii regional advisory board include a representative from the University of Hawaii at Hilo; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1940, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 493 Human Services on H.B. No. 1914

The purpose of this bill is to amend Hawaii Revised Statute Section 707-701.5 regarding murder in the second degree, to directly state the inclusion of "murder by omission", i.e., where the death of another is caused by a person's failure to act when the person had the legal duty to do so. The bill also specified that "murder by omission," include but not be limited to "child abuse by omission". This bill also adds a definition of "child abuse by omission" in Hawaii Revised Statute Section 707-700.

Your Committee received testimony from the Prosecuting Attorney of the City and County of Honolulu who believed that this amendment would assist in the prosecution of cases involving victims who were vulnerable because their care and welfare depended on another. Examples of child abuse which resulted in the death of the children because of a failure by a person, having a legal duty, to obtain needed medical treatment was brought to the attention of your Committee by the Prosecuting Attorney. In examining these illustrations, your Committee did not find fault with any of the various groups and agencies involved. But with your Committee's awareness of these cases, your Committee strongly supports the passage of this bill.

However, your Committee also discussed the possibility that the bill could be applied to those who respected the decisions of elderly persons who did not wish to prolong their lives by further or extraordinary medical treatment or intervention. Because of their concerns on the rights of persons to "die with dignity," your Committee amended the bill to limit the scope of "murder by omission" to child abuse by omission.

Your Committee also considered testimony regarding the inclusion of a proposed religious exemption for the parents of children solely being treated through spiritual means such as prayer, in accordance with certain religious beliefs. But your Committee has decided not to include such exemptions in this bill.

Other testimony from the Honolulu Police Department and the State Public Defender's Office was also considered by your Committee. Your Committee hopes that this bill will encourage the exchange between the various groups on the problem of child abuse. Your Committee also hopes that the greater public discussion and stronger laws on the problem of child abuse will aid in decreasing the number of child abuse cases and deaths.

The bill also specifies that "murder by omission" be limited to child abuse and neglect by omission. Examples of child abuse which resulted in the deaths of children because of the failure by persons to obtain needed medical treatment was brought to the attention of your Committee by the Prosecuting Attorney. In examining these illustrations, your Committee found that there was a compelling need to learn from past experiences to take positive steps in dealing with this problem so that other cases of child abuse by omission resulting in deaths of children would not easily recur.

It was not the intent of your Committee to find fault with any of the various groups and/or agencies involved in child abuse and neglect matters. With your Committee's awareness of these cases, your Committee therefore strongly supports passage of this bill.

Your Committee also discussed the possibility that this bill could be applied to those who respected the decisions elderly persons who do not wish to prolong their lives by further and extraordinary medical treatment or intervention. It was not the intent of your Committee at this time to have this bill apply in such cases.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1914, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bainum, Duldulao and Peters.

SCRep. 494 Human Services on H.B. No. 1249

The purpose of this bill is to appropriate moneys to:

- (1) Expand the Open Doors demonstration project to provide tuition subsidies to a minimum of 1500 children, between the ages of three and five years, from families who would otherwise not be able to afford preschool tuition; and
- (2) Implement an Early Childhood Resource Development Demonstration Project to help private providers start-up, expand, and improve early childhood services.

Your Committee received testimony in support of this bill from the Office of Children and Youth (OCY), the Department of Health, the Hawaii Business Roundtable, and the Hawaii Association for the Education of Young Children.

The testimony indicated that most low and low-moderate income families in Hawaii are unable to afford preschool tuition. As many as 2,300 children between the ages of three and one-half years and five years are eligible for Open Doors assistance but are currently not enrolled in any early childhood program. This bill would help to make early childhood care and education affordable to more of these children.

OCY proposed expansion of the Open Doors project at the funding level of \$1,409,292 for fiscal year 1991-1992 and \$2,590,008 for fiscal year 1992-1993. This would enable the project to help a minimum of 950 children by 1993.

Your Committee has amended this bill by:

- (1) Clarifying that it will provide for the expansion of the Open Doors project to a minimum of 950 children between the ages of three and five years;

- (2) Appropriating \$1,409,292 for fiscal year 1991-1992 and \$2,590,008 for fiscal year 1992-1993 for expansion of the Open Doors project and implementation of the Early Childhood Resource Development demonstration project;
- (3) Designating the Office of Children and Youth as the expending agency for the sums appropriated; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1249, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Amaral, Bainum, Duldulao and Peters.

SCRep. 495 Human Services on H.B. No. 992

The purpose of this bill is to extend the present Personal Care Services Program an additional four years to 1995 and to adjust the ceiling on its expenditures to equal the amount authorized by the federal Health Care Financing Administration.

Your Committee received testimony in support of this measure from the Kokua Council for Senior Citizens and comment from the Department of Human Services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 992 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 496 Human Services on H.B. No. 943

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, to ensure the safety of youth participating in outdoor youth and wilderness programs by providing for the licensure and regulation of these programs.

Your Committee received testimony in support of this bill from the State Department of the Attorney General, the John Howard Association of Hawaii, and the Office of Youth Services.

Your Committee has amended the bill by:

- (1) Clarifying that licensure is required for outdoor youth programs which have, among other requirements, a duration exceeding ten days;
- (2) Amending Section 346-16, Hawaii Revised Statutes, to clarify that youth outdoor programs licensed under this bill would not be subject to licensure and regulation as child care institutions or foster boarding homes; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 943, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 497 Human Services on H.B. No. 889

The purpose of this bill is to continue the active public-private partnership for literacy by establishing a Public-Private Partners for Literacy Trust Fund and by doing so, provide permanent funding for the development of family literacy programs across the State.

There is appropriated out of the general revenues of the State of Hawaii a sum up to \$1,000,000 for fiscal year 1992 to establish the Public-Private Partners for Literacy Trust Fund.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 889 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bainum, Duldulao and Peters.

SCRep. 498 Human Services on H.B. No. 1514

The purpose of this bill is to amend Section 321-22, Hawaii Revised Statutes, to provide that the Executive Office on Aging may receive and expend funds appropriated by the Legislature for the purpose of this section.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1514 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 499 Human Services on H.B. No. 1842

The purpose of this bill is to improve the ability of the Child Support Enforcement Agency (CSEA) to serve Hawaii's children by providing funds to convert temporary positions to permanent, upgrade existing positions, and purchase equipment.

Your Committee received testimony from the State Attorney General, the Child and Family Service, the Public Policy Committee of the YWCA of Oahu, and others in support of this measure.

Testimony from the State Attorney General indicated that the funds are needed to assist CSEA in processing paternity cases and establishing support for Hawaii's children in a timely and efficient manner. Moreover, the Attorney General cited the need to comply with the Family Support Act of 1988 (Public Law 100-485), which imposed more stringent requirements upon State child support enforcement agencies as a major reason for requesting additional positions. The Attorney General also testified that the funding provided in this bill will be returned to the State at least three fold in federal dollars generated by the program.

Upon further consideration, your Committee has amended the bill by establishing sixty-three new positions in CSEA and providing a breakdown of the costs. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1842, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 500 Human Services on H.B. No. 1844

The purpose of this bill is to appropriate moneys to the Nursing Home Without Walls Program as the State's share in obtaining federal matching funds to provide home and community-based services to 500 eligible persons in each fiscal year.

Your Committee received testimony in support of this bill from the Department of Human Services, the Commission on Persons with Disabilities, the Hawaii Center for Independent Living, the Founder's Group of the Kokua Council for Senior Citizens, and many recipients of Nursing Home Without Walls services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1844 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 501 Human Services and Health on H.B. No. 913

The purpose of this bill is to establish a Long Term Care Fund Authority to establish a comprehensive long term care financing program for Hawaii residents.

Your Committees find that in order to implement the provisions under this bill, the Authority must initiate as early as possible widespread community informational public meetings in order to receive comments and views on the financing long term care reports and its conclusions.

This bill has been amended to require that the Authority shall transmit a report on the progress of its work to the Legislature not later than twenty (20) days before the beginning of the 1992 legislative session.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 913, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 913, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bainum, Duldulao, Isbell and Peters.

SCRep. 502 Human Services on H.B. No. 1492

The purpose of this bill is to establish the early childhood educators compensation fund and advisory board within the Office of Children and Youth.

Your Committee finds that the lack of qualified staff in child care centers and family child care homes serving young children is jeopardizing the capacity of the early childhood education/child care system to provide this essential service to families. The direct cause of the labor shortage in child care is the low wages which are paid to child care personnel.

These low wages have provided an indirect subsidy to child care because families are unable to pay the true full cost of care. Yet it has been well-documented that an investment of \$1 in quality early childhood/child care programs yields a return of \$7 in savings on social programs in the future.

For purposes of clarity, your Committee has amended this bill by:

- (1) Changing the phrase "private homes" to "family child care homes" in Section 3;
- (2) Deleting "pursuant to section 26-34" in Section 4;
- (3) Changing Section 5 to delete reference to the advisory board and designate the Office of Children and Youth as the administering agency with the authority to receive funds and make grants to qualified child care centers and family child care providers;
- (4) Changing Section 6 to clarify the responsibilities of the advisory board including advising on selection of staff, guidelines for distribution and administration of the fund, and making recommendations on the awarding of grants;
- (5) Adding new Sections 8 and 9 which allow the Office of Children and Youth to adopt rules governing the administration of the fund and to hire appropriate staff;
- (6) Changing old Section 8 to Section 10 and adding the appropriations amounts of \$1,531,880 for fiscal year 1991-92 and \$3,003,760 for fiscal year 1992-93.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1492, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bainum, Duldulao and Peters.

SCRep. 503 Human Services on H.B. No. 1858

The purpose of this bill is to appropriate \$67,000 for fiscal year 1991-1992 for a conference on long-term care for caregivers and other health care professionals.

Your Committee received testimony in support of this bill from the Executive Office on Aging, and a former participant of a previously held long-term care conference.

The Executive Office on Aging testified that service providers have reported an increase in the complexity of elderly care needs, and that the general public continues to express the need for helpful information and training in elderly care planning, management, and skills. By furnishing caregivers with the latest techniques and information relating to long-term health care, the proposed conference would enhance the quality of long-term care services for the people of the State of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1858 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 504 Human Services on H.B. No. 1486

The purpose of this bill is to appropriate funds to enable the two-year family support centers demonstration project established by Act 329, Session Laws of Hawaii 1990, to continue for an additional year.

Your Committee received testimony in strong support of the bill from the Department of Human Services; the Office of Children and Youth; Maui Community School for Adults; Kapaa High and Intermediate School; Moloka'i General Hospital; the Chamber of Commerce of Hawaii; the Governor's Family Center Advisory Council; the Kamehameha Schools; KGMB; the Hawai'i Community Services Council; Homeless Aloha, Inc.; Maui Family Support Services; the Kona Community Advisory Council; Hawaii Literacy, Inc.; the ILWU Local 142; the All Saint's Nursery School; members of the Advisory Board for the West Hawaii Family Center; the Hawaii Credit Union League; the Hawaii Council of Teachers of English; the ESL Caucus; and concerned citizens.

The Hawaii Community Services Council testified that each family support center established pursuant to Act 329 exemplifies an integrated service delivery approach where service providers collaborate with the communities to provide activities and services designed to strengthen families. These activities and services include: literacy education, drop-in child care, parent education, job skills training, and health care. The centers are open to all families and are able to function as entry points to other services. Additionally, by involving the communities as decision makers, the centers are responsive to the needs of each community.

Hawaii Literacy, Inc. and others testified that family literacy programs are an important component of the family support centers. Literacy services strengthen families by helping parents to gain the skills they need to help their children learn and succeed.

The Governor's Family Center Advisory Council testified that the demonstration project is well underway. However, an additional year of funding would afford the centers necessary time to get into full operation. The additional time would also enable the State to better assess the impact of the centers.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1486 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bainum, Duldulao and Peters.

SCRep. 505 Human Services on H.B. No. 994

The purpose of this bill is to establish a revolving fund to be known as the "Randolph-Sheppard Revolving Account", to receive and disburse income derived under the federal Randolph-Sheppard Act.

Pursuant to the Randolph-Sheppard Act, blind and visually handicapped persons participating in the blind vending program operated by the State Department of Human Services may receive income from vending machines situated on federal, state, and county properties, as well as income from the news vending concession at the Honolulu International Airport.

Specifically, the bill allows revolving fund resources to be disbursed for the following purposes:

- (1) To establish and maintain a benefits package for blind and visually handicapped vendors;
- (2) To maintain and replace equipment, as well as purchase new equipment; and
- (3) To provide management services.

Your Committee received testimony in support of this bill from the Department of Human Services, the Hawaii Blind Vendors Association, the Commission on Persons with Disabilities, and a blind vendor.

The testimony indicated that because the existing revolving fund for the blind vending program was established under administrative rule, it could be abolished without providing program participants due process. Statutory establishment of the fund as provided in this bill would remedy the problem.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 994 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 506 Human Services on H.B. No. 166

The purpose of this bill is to provide funds for a training program for not more than one hundred respite workers and for the cost of placing respite workers in home care situation.

Your Committee has amended the bill solely for the purpose of adding the amount that shall be appropriated out of the general revenues to be \$50,000 for FY 91-92.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 166, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bainum, Duldulao and Peters.

SCRep. 507 Human Services on H.B. No. 1932

The purpose of this bill is to provide greater protection for the welfare of children by setting forth procedures under which the custodial parent or any person or agency who has been granted custody of a child may object to visitation by a noncustodial parent convicted of certain crimes.

Your Committee received testimony in support of this bill from Commission on the Status of Women and several concerned citizens.

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

- (1) Included within the scope of this bill any person with visitation rights who has been convicted of a specified crime or convicted of attempting to commit a specified crime;
- (2) Deleted all references to agency orders;
- (3) Added the following crimes to the definition of "specified crimes": Sections 707-716, 707-720, 712-1241, 712-1242, 712-1243, 712-1244, 712-1245, and 712-1247, Hawaii Revised Statutes; and
- (4) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1932, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bainum, Duldulao and Peters.

SCRep. 508 Health on H.B. No. 66 (Majority)

The purpose of this bill, as received by your Committee, is to create a special smoking health education fund, to increase the tobacco excise tax from forty percent to fifty percent, and to increase license fees for tobacco wholesalers and dealers from \$2.50 to \$25.00.

Your Committee received testimony supporting this bill from representatives of the American Lung Association, the Hawaii Medical Association, the American Cancer Society, the Hawaii Society for Respiratory Care, the Hawaii Public Health Association, the Department of Health, and from one individual. Your Committee received testimony opposing the bill from representatives of the Department of Taxation, the Tobacco Institute, the R.J. Reynolds Tobacco Company, Sonnie-Gay Ltd., the Hawaii Food Industry Association, the Hawaii Retail Gasoline Dealers Association, the Hawaii Retail Liquor Dealers Association, and the Hawaii Food and Beverage Association.

Your Committee amended the bill by eliminating (1) the section creating a special fund for smoking health education, (2) the section calling for twenty percent of taxes collected under section 245-3 to be deposited to a smoking health education fund, and (3) an amendment to the current law that would raise the license fee for wholesalers and dealers from \$2.50 to \$25.00. The first and second changes were made because your Committee feels that it is necessary to maintain maximum flexibility in the allocation of tax revenues, especially during this period of reduced revenues. The last change was made because the additional revenues raised by increasing the license fee would not be sufficient to offset the cost of implementation of the change in the fee, there being only some twenty-five licensees.

Your Committee has retained the section of the bill that would raise the tobacco excise tax from forty to fifty per cent. Your Committee is of the opinion that this increase would have a beneficial effect on the health of our State because it would serve as a deterrent to the consumption of tobacco products, which are a major cause of emphysema, chronic bronchitis, lung cancer, and heart disease.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 66, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 66, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Amaral, Duldulao, Peters and Tatibouet did not concur.)

SCRep. 509 Human Services on H.B. No. 537

The purpose of this bill is to appropriate moneys to provide the Commission on Persons with Disabilities with needed technical assistance, administrative support, and computer equipment to enable the review of design plans which improve physical access to persons with disabilities in accordance with federal, State, and county mandates.

Your Committee received favorable testimony from the Commission on Persons with Disabilities and others.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 537, HD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 510 Tourism on H.B. No. 776 (Majority)

The purpose of this bill is to amend the Hawaii Revised Statutes to allow temporary liquor licenses for exhibitions selling wine at a discount, and appropriate funds to the Department of Business, Economic Development, and Tourism for the planning of an international wine conference.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, and the Hawaii Hotel Association.

Your Committee finds that an international wine conference would increase Hawaii's stature as an international meeting center, thereby supplementing Hawaii's visitor industry and strengthening the State's economy. Your Committee further finds that such a conference would be most effective if it received funds from the private sector in an amount equal to those from the State.

Your Committee amended the bill by restoring "not for sale" in the list of uses allowed for temporary permits and by changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 776, HD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 776, HD 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Bellinger and Fukunaga did not concur.)

SCRep. 511 Judiciary on H.B. No. 2223

The purpose of this bill is to amend Section 662-4, Hawaii Revised Statutes, by providing that tort claims of individuals under legal disability will not be barred if brought within one year after the legal disability has ceased.

Testimony in support of this measure was submitted by the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2223 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 512 Judiciary on H.B. No. 201

The purpose of this bill is to require the Governor to fill vacancies for unexpired terms in the State Senate and House of Representatives within sixty days of when the vacancy occurs. The measure further requires the appointee be either a member of the same political party as the person the appointee will replace or non-partisan.

Your Committee heard testimony in support of the bill from the Downtown Neighborhood Board No. 13 and a representative from the League of Women Voters of Hawaii who stated that filling a vacancy quickly is a high priority because of Hawaii's short legislative session.

Your Committee agrees that residents deserve to have legislative representation at all times, especially, should the vacancy occur, during the legislative session.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 201 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 513 Judiciary on H.B. No. 1012

The purpose of this bill is to amend Section 28-2.5, Hawaii Revised Statutes, by:

- (1) Allowing subpoenas to be served by an employee of the issuing authority who has the powers of a police officer;
- (2) Setting the fees for the research and reproduction of records by financial institutions as established by the Board of Governors of the Federal Reserve System; and
- (3) Providing immunity from civil liability based upon compliance with a subpoena.

This measure would enable authorized agencies who have employees with police officer powers to serve subpoenas through these employees; eliminate the varying high fees charged for the research and reproduction of records by financial institutions; and grant immunity from civil liability to those individuals or entities who comply with the command of the subpoena.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Police Chiefs of the City and County of Honolulu as well as the counties of Hawaii, Kauai, and Maui. The Criminal Investigation Division of the Police Department of the City and County of Honolulu also submitted testimony in support of the measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1012 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 514 Judiciary on H.B. No. 1326

The purpose of this bill is to repeal Section 46-3, Hawaii Revised Statutes (HRS), which authorizes the counties to create public defender offices.

Chapter 802, HRS, creates the Office of the State Public Defender which provides legal services to residents of all islands throughout the State of Hawaii.

Testimony in support of this measure was submitted by the Office of the State Public Defender.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1326 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 515 Judiciary on H.B. No. 1918

The purpose of this bill is to amend Section 842-1 of the Hawaii Revised Statutes to replace the word "larceny" with "theft" in the definition of racketeering activity. The bill further amends Hawaii Revised Statutes Section 842-1 by including the word "theft" in the definition of "organized crime."

Your Committee received favorable testimony on behalf of the bill from the Office of the Prosecuting Attorney. Because our penal code uses the term "theft" rather than the common law term, "larceny", your Committee believes that this housekeeping measure is necessary to conform this section with the rest of the code. The term "theft" is added to the definition of "organized crime", since activities such as auto theft and burglary are sometimes utilized by organized crime members as major sources of revenues.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1918 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 516 Judiciary on H.B. No. 1712

The purpose of this bill is to amend Chapter 368, Hawaii Revised Statutes (HRS), to provide for the award of costs of maintaining an action, including attorney and expert witness fees, before the court as well as at hearings before the Civil Rights Commission (Commission).

Previously, Chapter 368, HRS, only provided for the award of costs for maintaining an action at hearings before the Commission. This amendment will encourage attorneys in private practice to bring discrimination cases before the court as well.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Hawaii Women Lawyers, the Hawaii State Commission on the Status of Women, the Hawaii Women's Political Caucus, and Na Loio No Na Kanaka.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1712 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bainum.

SCRep. 517 Judiciary on H.B. No. 2004

The purpose of this bill is to amend Section 651-124, Hawaii Revised Statutes (HRS), by eliminating any references to the Employee Retirement Income Security Act (ERISA) in order to ensure the exemption of the retirement benefits of debtors in bankruptcy proceedings.

Presently, Section 651-124, HRS, appears to exempt from bankruptcy proceedings the retirement benefits qualified under ERISA. However, recent court decisions in other jurisdictions have held that similar state statutes do not provide the exemption as intended. This amendment would ensure and continue to protect the retirement benefits of debtors in bankruptcy proceedings.

Testimony in support of this measure was submitted by the Corporate Trustees Association of Hawaii and a representative from a law firm.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2004 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 518 Judiciary on H.B. No. 1169

The purpose of this bill is to amend Section 11-118, Hawaii Revised Statutes, by allowing a political party to fill a candidate vacancy when there is a death, involuntary withdrawal, or disqualification after the close of the election filing deadline.

Currently, a political party is allowed to fill a candidate vacancy when there is a death, withdrawal, or disqualification. The amendment will restrict the filling of a vacancy for only withdrawals that are involuntary.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1169 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 519 Judiciary on H.B. No. 2015

The purpose of this bill is to amend Chapter 707, by adding a new section that makes an assault against an athletic official a misdemeanor.

Your Committee has received testimony in support of this bill from the Department of Education and the Hawaiian Football Officials Association, who expressed concern about what they said have been numerous assaults on athletic contest officials. They believe that further deterrence is needed in this area.

Your Committee received testimony from the Public Defenders Office opposing this measure, arguing that current assault laws adequately cover the wrongful conduct.

Your Committee is in agreement with the Department of Education and the Hawaiian Football Officials Association that having a specific Penal Code provision relating to athletic contest officials will create a greater and necessary deterrent effect on the assaults upon athletic contest officials.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2015 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 520 Judiciary on H.B. No. 1930 (Majority)

The purpose of this bill is to amend Chapter 551D, Hawaii Revised Statutes, by allowing a durable power of attorney to authorize an agent of the principal to make lawful health care decisions.

Testimony in support of this measure was submitted by the American Association of Retired Persons, the Hawaii Medical Association, and the Hawaii Chapter of the National Association of Social Workers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1930 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 521 Judiciary on H.B. No. 400

The purpose of this bill is to correct errors, clarify language, correct references, and delete obsolete or unnecessary provisions of various sections of the Hawaii Revised Statutes and Session Laws of Hawaii 1990.

All amendments recommended and made in this measure as introduced are of a purely technical nature and contain no substantive changes to the law.

Testimony in support of this measure was submitted by the Office of the Legislative Reference Bureau.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 400 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 522 Judiciary on H.B. No. 1019

The purpose of this bill is to extend the filing deadlines for all government and county agencies that must file public reports with the Office of Information Practices.

Due to the magnitude of information that must be collected, organized, and formatted in a consistent manner, as well as the time delays arising from the development and implementation of an automated records report system, some government and county agencies are unable to meet the original deadlines required by Section 92F-18, Hawaii Revised Statutes, and Section 11 of Act 192, 1989 Hawaii Session Laws.

Testimony in support of this measure was submitted by the Department of the Attorney General and the State of Hawaii Board of Agriculture.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1019 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 523 Judiciary on H.B. No. 359

The purpose of this bill is to exempt battered spouses from mediation in divorce proceedings.

Currently, there exists an informal policy in the Family Courts throughout the State to exempt battered spouses from mediation in divorce proceedings. This measure attempts to formalize this policy.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Domestic Violence Legal Hotline, the Hawaii State Coalition Against Sexual Assault, the Hawaii Women's Political Caucus, the Kauai County Young Women Christian Association, and other interested members and organizations of the community.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 359 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 524 Judiciary on H.B. No. 364

The purpose of this bill is to extend the duration of the protective order from six months to three years.

Current information notes that most women who had restraining orders issued by the courts continue to be harassed or threatened by their abusers for several years. In this regard, the current six months allowed for protective orders is not sufficient to protect women from the danger they continually face from their abusers.

Testimony in support of this measure was submitted by a Judiciary representative, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Criminal Injuries Compensation Commission, the Hawaii State Commission on the Status of Women, the Child and Family Service, and other interested organizations and members of the community.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 364 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 525 Judiciary on H.B. No. 1163

The purpose of this bill is to amend Section 11-11, Hawaii Revised Statutes, by deleting the existing definition and to add a new definition of "polling place". The existing section 11-1 is no longer needed because of the repeal of section 17-5 in 1990.

Your Committee received testimony in support of this measure from the Office of the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii.

The Lieutenant Governor testified that there have been numerous requests from various interest groups to conduct informal polls and/or gain signatures for petitions on issues not contained on the official voter ballot. This measure would create a two hundred foot radius buffer zone wherein only activities relating to official state and/or county elections shall take place.

It is not the intention of your Committee to prohibit or discourage such interest groups from conducting their activities or expressing their opinions, however, in the interest of avoiding congestion and confusion, your Committee finds that activities separate and independent of the official election should not be conducted in close proximity to the operation of the official election. Your Committee is concerned that the congestion and confusion would be an obstacle to people's path to vote and affect voter turnout.

Specifically, this measure deletes the definition of "special primary election" and "special general election" as it relates to vacancies which occur because of failure to elect a person at an uncontested general election. This provision became unnecessary with the repeal of Section 17-5 in 1990. This measure further adds a definition for "polling place" to clarify its meaning when referenced in other sections.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1163 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 526 Judiciary on H.B. No. 1313

The purpose of this bill is to amend section 94-6, Hawaii Revised Statutes, to include notification to legislators of contracted studies initiated by state and county agencies. This bill also requires the Governor or Mayor of any county to submit a written notice to the archivist explaining why not complying with section 94-6 would be contrary to public interest.

Your Committee received testimony in support of this bill from the Department of Accounting and General Services. The testimony indicated that the State archivist compiles and distributes a semi-annual listing of contracted studies from notifications received from state and county agencies, which often results in incomplete listings.

In agreement with the intent of the bill, this Committee finds that by requiring copies be sent to legislators and requiring governors and mayors to explain not complying with the statute, the State archivist will generate a complete listing of contracted studies.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1313 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 527 Judiciary on H.B. No. 1164

The purpose of this bill is to disallow the use of voter registration lists for selecting persons for jury duty.

Your Committee received testimony from the Lieutenant Governor in support of this measure. The Lieutenant Governor expressed concern that people are deterred from voting due to the common misconception that the jury pool is drawn solely from the voter registration list. Your Committee recognizes that jury service is an important civic duty which should be served, however your Committee further recognizes that the jury clerk has access to other lists from which to draw names for jury service.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1164 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 528 Judiciary on H.B. No. 1168

The purpose of this bill is to provide for a sixty day time period between the close of the filing deadline for special primary or special election and the special primary or special election.

The allowance of sixty days between the close of filing for special primary or special election and the special primary or special election would provide consistency among the close of filing deadlines for all elections as well as provide sufficient time for election officials to print the ballots and comply with the federal recommendations for the mailing of absentee ballots.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1168 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 529 Judiciary on H.B. No. 174

The purpose of this bill is to amend Section 607-14.7, Hawaii Revised Statutes, by allowing the court to award attorney's fees, costs, and expenses incurred by owners of single family residential properties who seek to protect their incidental rights of land ownership.

This amendment will ease the financial burden incurred by landowners who are forced to seek a legal remedy to eliminate the unfair encroachment of their properties.

Testimony in support of this measure was submitted by a private citizen.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 174 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 530 Judiciary on H.B. No. 137

The purpose of this bill is to amend Section 633-27, Hawaii Revised Statutes (HRS), by limiting the removal of complaints from the procedures of the Small Claims Division of District Court to the ordinary procedures of district court to cases where the removal is agreed to by the plaintiff.

The amendment of Section 633-27, HRS, would keep small claims disputes informal and inexpensive as intended, reduce court traffic at the District Court level, and expedite court proceedings.

Testimony in support of this measure was submitted by the Judiciary, the Hawaii State Bar Association, and the Hawaii Independent Condominium and Cooperative Owners.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 137 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 531 Judiciary on H.B. No. 1926

The purpose of this bill is to add a new part to Chapter 368, Hawaii Revised Statutes, to provide to an injured party the right of civil action against any person who, under color of any law of the State or its political subdivisions, deprived the injured party of rights, privileges, or immunities secured by the Hawaii Constitution or other law.

This bill is patterned after 42 U.S.C. §1983, and it is expected that federal case decisions arising out of that federal law will provide guidance in interpreting the right of action arising out of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1926 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 532 Judiciary on H.B. No. 1714

The purpose of this bill is to amend Chapter 368, Hawaii Revised Statutes (HRS), to provide standing for individuals to file class action discrimination complaints.

Currently, only the Department of the Attorney General or the Hawaii Civil Rights Commission may file class action discrimination complaints pursuant to Chapter 368, HRS. This amendment would strengthen the enforcement of civil rights in Hawaii and assist the Hawaii Civil Rights Commission in fulfilling its purpose.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Hawaii Women Lawyers, the Hawaii State Commission on the Status of Women, the Hawaii Women's Political Caucus, and Na Loio No Na Kanaka.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1714 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 533 Intergovernmental Relations and International Affairs on H.C.R. No. 22

The purpose of this resolution is to express the House of Representatives' strongest support for Bruce I. Yamashita in his efforts to correct his military record and seek redress of the unjust and racially biased treatment accorded to him during his course of training at the United States Marine Corps 140th Office Candidate School, Quantico, Virginia.

Your Committee received testimony in support of this resolution, and its companion H.R. No. 27, from the Japanese American Citizens League; Club 100 and 442 Veterans Club, World War II veterans' organizations; the National Asian and Pacific American Bar Association's Hawaii Chapter; Young Women's Christian Association; University of Hawaii School of Law professor Eric Yamamoto; and private citizens, Mr. Mark Santoki and Mr. Hoyt Zia.

Your Committee was deeply moved by the testimony, and concurs with the observations of one of the testifiers:

"Bruce's struggle is about how powerful institutions and people across the country view and treat Asian Americans, and particularly Japanese Americans . . . It is about growing societal indulgence in virulent prejudice directed toward people of color who are perceived as unable or unwilling to fight back. It is about something we in Hawaii must pay heed."

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.C.R. No. 22 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 534 Intergovernmental Relations and International Affairs on H.R. No. 27

The purpose of this resolution is to express the House of Representatives' strongest support for Bruce I. Yamashita in his efforts to correct his military record and seek redress of the unjust and racially biased treatment accorded to him during his course of training at the United States Marine Corps 140th Office Candidate School, Quantico, Virginia.

Your Committee received testimony in support of this resolution, and its companion H.C.R. No. 22, from the Japanese American Citizens League; Club 100 and 442 Veterans Club, World War II veterans' organizations; the National Asian

and Pacific American Bar Association's Hawaii Chapter; Young Women's Christian Association; University of Hawaii School of Law professor Eric Yamamoto; and private citizens, Mr. Mark Santoki and Mr. Hoyt Zia.

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"Bruce's struggle is about how powerful institutions and people across the country view and treat Asian Americans, and particularly Japanese Americans . . . It is about growing societal indulgence in virulent prejudice directed toward people of color who are perceived as unable or unwilling to fight back. It is about something we in Hawaii must pay heed."

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.R. No. 27 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 535 Judiciary on H.B. No. 1008

The purpose of this bill is to ensure the common law rule that statutes of limitation do not run against the State applies to all limitations statutes provided for in the Hawaii Revised Statutes.

Your Committee has received testimony on behalf of the Department of the Attorney General and the Hawaii Academy of Plaintiffs' Attorneys and found it persuasive. Your Committee is in agreement with the testimonies that actions instituted by the State typically seek to protect important State interests and redress wrongs committed against the people of the State. Also, the passage of time should not destroy the furtherance of these interests and policies, or the ability to protect Hawaii's people.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1008, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 536 Judiciary on H.B. No. 600

The purpose of this bill is to amend Sections 612-17 and 612-18, Hawaii Revised Statutes, to provide the courts more flexibility in selecting jurors by removing the references to "panel".

Representatives from the Judiciary submitted testimony in support of this bill. Under the present statutes, the courts are required to order jurors by panels and the jury pool staff must segregate the jurors into panels of 18 jurors each. From a study and report by the National Center of State Courts in July 1990, entitled Jury Management Study, State of Hawaii, it was determined that always dealing with panels of 18 is wasteful and removal of the references to "panels" in the statutes would allow the courts to order specific numbers of jurors as needed.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 600, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 537 Judiciary on H.B. No. 83

The purpose of this bill is to amend Section 560:5-207, Hawaii Revised Statutes, by deleting the requirement that grandparents be notified in guardianship proceedings.

Your Committee received testimony which maintained that notification of the proceedings to a minor's grandparents is unnecessary where the legal parents are still living. However, your Committee is concerned that grandparents will not be notified of the proceedings in the case where the legal parents are no longer living.

Therefore, your Committee has amended this bill to make clear that notification of grandparents is still required where both parents are deceased.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 83, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 83, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 538 Judiciary on H.B. No. 1304

The purpose of this bill is to prohibit loitering in a public place for the purpose of prostitution.

Your Committee received testimony on behalf of the Waikiki Residents Association and the Honolulu Police Department in support of this bill. Your Committee also received testimony in opposition from the Office of the Public Defender, the American Civil Liberties Union and the Waikiki Health Center.

Your Committee feels that prostitution is becoming an increasing problem in Hawaii. However, your Committee concludes that the inclusion of a petty misdemeanor penalty if such person has previously been convicted of prostitution or promoting prostitution is not necessary to effectuate the essential intent of this measure. Your Committee has therefore amended this measure by deleting the language providing for the petty misdemeanor. Your Committee has also made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1304, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 539 Judiciary on H.B. No. 1166

The purpose of this bill is to amend Section 11-172, Hawaii Revised Statutes, by providing that when an election contest is filed, a copy of the complaint must be delivered to the Chief Election Officer or the County Clerk in the case of County elections.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor and the Association of Clerks and Election Officers of the State of Hawaii.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1166, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 540 Judiciary on H.B. No. 1899

The purpose of this bill, as received by your Committee, is to direct the Administrative Director of the Courts to conduct a review of the practice of Hawaii trial court judges ordering mandatory charitable contributions by defendants as special conditions of probation or deferred acceptance of guilty pleas.

Your Committee has amended this bill by deleting Section 2 which requested a study of the practice of courts ordering mandatory charitable contributions. The last two sentences of Section 1 were also deleted since they also referred to Section 2.

Your Committee further amended the bill by allowing the courts to require that a defendant make a mandatory charitable contribution to a nonprofit crime prevention organization as a special condition of probation. Your Committee feels that by requiring a contribution to a crime prevention organization, such funds can be used to combat crime in our communities. An example of such an organization is "Crime Stoppers".

Your Committee also made technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1899, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 541 Judiciary on H.B. No. 1237

The purpose of this bill is to expand the degree of protection afforded to individuals, business, and governmental agencies from tampering, interference, damage, and unauthorized access to lawfully created computer data and computer systems.

Your Committee received testimony in support of this measure from the Office of the Attorney General and the Honolulu Police Department. The foregoing witnesses expressed concern of the increase in computer crime and damages to computer data, software and equipment.

Representatives from the Office of the Public Defender submitted testimony in opposition to this bill. The testimony indicated that the language in the bill is conflicting and superfluous. Also, the Public Defender was concerned that the amount of penalty does not coincide with the degree of culpability of the wrongdoer.

Your Committee has adopted the recommendations of the Public Defender by making the following amendments:

1. Rearranged the paragraphs to conform the measure to current the Penal Code style and penalty scheme.
2. Added the term "Property" and "Service" and their definitions to broaden the coverage of the measure, to make clear that property damaged include damages to intangible value such as trade secrets.
3. Added a definition for the word "disruption" to clarify its meaning as used in the measure.
4. Revised the different culpability levels of computer crime and to base the different degrees upon the amount of value involved in the use, damage or injury.
5. Deleted the term "recklessly" because reckless behavior in this area may encompass many innocent users of computers. Computers and the use of them remains relatively a new field and many people are still unfamiliar with their use.

Your Committee finds that these amendments will conform this measure to current statutory scheme and clarify the intent of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1237, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 542 Judiciary on H.B. No. 596

The purpose of this bill is to amend sections in Chapter 346, Hawaii Revised Statutes, as enacted by Act 381, SLH 1989, pertaining to Family Court for clarification of duties and procedures of the Adult Protective Services.

Having considered testimony from the Judiciary, your Committee finds that these amendments will clarify duties and procedures of the Dependent Adult Protective Services. They will better define the Family Court's authority over the parties in an action before the Court. They will also permit a court review without a hearing in order to expedite the process. Finally, the amendments will allow all parties to have access to court records.

Your Committee has amended this bill by changing the effective date for this Act from January 1, 1992 to July 1, 1991 which is the date that the sections in Chapter 346 that are amended by this bill will take effect. Your Committee has also amended this bill by eliminating those parts of the bill that were unnecessary for drafting purposes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 596, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 543 Judiciary on H.B. No. 2139

The purpose of this bill is to amend Section 657-5, Hawaii Revised Statutes, to prohibit a judgment or decree of any court of the State from being extended, renewed, or revived beyond ten years after the date the judgment or decree was rendered.

This bill seeks to clarify the present ambiguity contained in the Hawaii Revised Statutes. Present law presumes a judgment is paid and discharged after ten years. The law also applies to any action on the judgment brought after ten years from the original judgment date. The specific types of actions that fall within the statute and the time limit on any result of an action, however, are undefined. In particular, a judgment may be extended indefinitely so long as the creditor acts to extend the judgment prior to its tenth anniversary.

Testimony was received both in favor and in opposition to this bill.

Your Committee finds that the bill intends to clarify a law that is presently subject to differing interpretations. Your Committee has therefore amended the bill to explicitly prohibit extensions, renewals, or revivals of judgments or decrees where:

- (1) The action to extend, renew, or revive commences after 10 years from the original judgment or decree date;
- (2) The extension, renewal, or revival is against a person who has been relieved of a marital debt giving rise to the judgment or decree through a divorce decree of a court of competent jurisdiction; or
- (3) The creditor of the judgment or decree, for a continuous three year period during the life of the judgment or decree, fails to attempt collection.

To further clarify the law, the amendment limits an extension, renewal, or revival of any judgment or decree to no more than twenty years from the date of the original judgment or decree. Notice and hearing is also required for an extension, renewal, or revival of a judgment or decree.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2139, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 544 Judiciary on H.B. No. 2014

The purpose of this bill is to amend Section 4-1, Hawaii Revised Statutes, to redefine the Waiialua and Koolauloa districts to better accommodate the shifts in population in those districts.

Your Committee finds that a function of our rural district courts is to provide judicial services to the community in which the court is situated. Proximity and convenience are important components of providing judicial services. Your Committee further finds that the shift in population in the Koolauloa district has created an inequitable situation for many residents.

Your Committee received testimony in support of this bill from representatives of the Judiciary and attorneys in private practice in the Waiialua district. The foregoing witnesses testified that residents of Haleiwa, north of Waimea, must travel to the Waiialua District Court in Kaneohe to attend their District Court cases, even though their residences are closer to the Wahiawa District Court. The police officers stationed at the Wahiawa Police Station also face the same inconvenience. Arrests made and citations issued north of Waimea are heard at the Wahiawa District Court, while the Waiialua District Court is only 3 blocks from the Wahiawa Police Station.

Your Committee is in agreement with the intent of the bill. However, it has amended the bill by making the Waiialua district congruous with the Wahiawa police jurisdiction and including a reference to Waialea Stream to effectuate the intent of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2014, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 545 Judiciary on H.B. No. 1571

The purpose of this bill, as received by your Committee, is to add a new penal offense of promoting controlled substances in or near a school vehicle or within 10 feet of a parked school vehicle. The bill also increases the penalty to a class B felony and establishes a mandatory minimum of 3 years for a conviction and a maximum fine of \$100,000. The bill also increases the scope of the section to include possession with intent to distribute.

Your Committee considered the testimony of the Attorney General and the Honolulu Police Department and found it to be persuasive. Currently, the drug free school zone law protects schools and schools alone. However, drug dealers who might not sell their drugs near schools because of this law may instead be inclined to loiter at bus stops where students gather. Student dealers may also sell or exchange drugs on buses before they get to school. This bill will ensure that the drug free school zone law is not easily circumvented and discourage drug dealing on buses or at bus stops.

Your Committee feels however, that the proposed increase in severity of the penalties is unwarranted at this time. Therefore, your Committee has amended the bill by retaining the original language of the Hawaii Revised Statutes regarding penalties. Also, Section 2 which referred to a mandatory imprisonment of 3 years and a \$100,000 fine was deleted and the remaining sections were renumbered.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1571, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 546 Judiciary on H.B. No. 621

The purpose of this bill is to provide that the establishment of or any modifications made to the child support guidelines would permit the Court to revise a child support order.

Your Committee received favorable testimony from the Judiciary and the Hawaii County Office of the Corporation Counsel.

The bill provides that any modifications to the child support guidelines will permit revision of the child support order. As currently stated, this language would appear to permit revision even if the modification is technical and nonsubstantive in nature. Therefore, your Committee has amended Sections 1, 2 and 3 to read as follows: "The adoption of any

substantive modifications made to the guidelines set forth in this section may constitute a change in circumstances sufficient to permit review of the support order".

Your Committee is also concerned with the proposed language on page 6, lines 12 through 16, mandating the moving party to be granted a hearing on this issue. Therefore, these lines were deleted in order to retain the discretion now inherent in the hearing process.

The effective date of the bill was also amended to take effect ninety days after the approval by the Governor in order to afford the Court and the Child Support Enforcement Agency time to prepare for the additional documents and caseload.

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

Signed by all members of the Committee.

SCRep. 547 Judiciary on H.B. No. 437

The purpose of this bill is to make criminal tampering of public utilities in the first degree a class C felony. Criminal tampering in the second degree becomes a misdemeanor.

Joint testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Police Chiefs of the City and County of Honolulu as well as the counties of Hawaii, Kauai, and Maui. The Criminal Investigation Division of the Police Department of the City and County of Honolulu also submitted testimony in support of the measure.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 437, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 548 Judiciary on H.B. No. 611 (Majority)

The purpose of this bill is to make permanent the State's Center for Alternative Dispute Resolution.

After considering the testimony from the Judiciary, your Committee concludes that the Center for Alternative Dispute Resolution is valuable in resolving public interest cases referred to the Center by state and county government agencies. Also, the Center provides program and technical assistance to the courts and other governmental agencies that are seeking to expand their internal uses of mediation, arbitration, and fact-finding.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 611, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 549 Judiciary on H.B. No. 358

The purpose of this bill is to create the presumption that it is detrimental to a child to be placed in the custody of a parent who is abusive.

Your Committee received testimony in support of this bill from the Judiciary, the Department of the Prosecuting Attorney for the City and County of Honolulu, and many organizations that help victims of abuse.

Your Committee agrees that a child should not be placed in the custody of a parent who has a history of being an abusive spouse or parent. Your Committee takes the view that any prior incident involving abuse constitutes a "history" of abuse, and there need not have been a series of abusive events to establish a "history" of abuse.

Your Committee has amended this bill by making the presumption that it is not in the best interest of a child to be in the custody of an abusive parent, a rebuttable presumption.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 358, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 550 Judiciary on H. B. No. 1317

The purpose of this bill is to amend Chapter 710, Hawaii Revised Statutes, by adding a new section to penalize the defacing or destroying of official notices; amending Section 710-1010(3), Hawaii Revised Statutes, to make the obstruction of government operations a misdemeanor; and repealing Chapter 95, Hawaii Revised Statutes.

Your Committee finds from testimony presented by the Office of Public Defender that some notices may not be intended to be protected by this section and are indistinguishable from notices put up in compliance with statute, order of court, or order of the Health Department, which are protected.

Your Committee has adopted the recommendations of the Public Defender by amending this bill to require that a protected notice contain a statement that the destruction or removal of the official notice is prohibited by law to make clear to the public the importance of the document and the consequences thereof.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1317, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 551 Judiciary on H.B. No. 73

The purpose of this bill is to appropriate funds to provide for mental health or other treatment as deemed necessary for those convicted of crimes involving compulsive sexual behavior, such as "peeping tom" activities.

Your Committee received testimony in support of the measure from the Department of Health as well as individual citizens who have been victimized by "peeping toms."

Your Committee is concerned and aware of the number of incidents which have recently occurred involving "peeping toms." Your Committee is also aware of the possibility of trespass and surveillance incidents escalating to incidents of sexual assault.

Your Committee has amended this bill by changing the purpose of the measure to clarify the definitions of sexual assault in the fourth degree by requiring that a person "knowingly" commit such offenses. Your Committee has further amended this bill by deleting the appropriation provision for mental health or other treatment as deemed necessary such as education/treatment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 73, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 73, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 552 Judiciary on H.B. No. 599

The purpose of this bill is to amend Section 612-6, Hawaii Revised Statutes, to provide for fewer exemptions from jury service by removing the special exemptions from jury service.

Your Committee received testimony from a representative of the Judiciary in support of this measure. The testimony indicated that the measure is based on a study and report by the National Center of State Courts in July 1990, entitled Jury Management Study, State of Hawaii, which recommended removal of the special exemptions given the needs of the jury system and considerations of equal treatment.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 599, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 553 Judiciary on H.B. No. 934

The purpose of this bill is to allow a couple to declare the middle name each will use as a married person and allow one parent instead of both parents to name their child. The bill will also repeal Section 574-4, Hawaii Revised Statutes, which became redundant after Sections 574-2 and 574-3 were amended in 1989.

Your Committee received favorable testimony from the Office of the Lieutenant Governor and the Department of Health.

Your Committee feels that the measure will eliminate the confusion surrounding the middle name a person intends to use after marriage and the need to secure a change of name order. Furthermore, your Committee feels that as a matter of practicality and convenience, one parent should be able to name a child.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 934, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 554 Judiciary on H.B. No. 1558

The purpose of this bill is to amend Section 709-904.5, Hawaii Revised Statutes, to make it possible to punish those adults who force, as well as those adults who pay, juveniles to commit crimes.

Representatives from the State Attorney General submitted testimony in support of this bill. Testimony indicated that with increasing frequency, adults are using minors to commit offenses because the minor faces far less severe legal consequences if caught. The current law only penalizes those adults who give compensation to the minor in return for their services. However, in most cases, the minor is not compensated but forced or intimidated to commit the crime.

Representatives from the Public Defender expressed concern that the bill is not necessary because the proposed prohibited conduct is covered under the existing solicitation and conspiracy statutes.

Your Committee finds that the conspiracy statute is, by its nature, difficult to enforce and the solicitation statute may not provide sufficient deterrence. While in agreement with the intent of the bill, your Committee has amended the penalties provision of the bill by equating the offense to be charged with the offense that was committed because your Committee believes that the adult should face prosecution for the substantive crime and not for a greater offense.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1558, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 555 Finance on H.B. No. 801

The purpose of this bill is to provide for the suspension of the running of Hawaii's statute of limitations on the assessment of taxes for bankruptcy cases under Title XI of the United States Code.

Under present federal law, the filing of a petition for bankruptcy generally results in an automatic stay of any state action to collect, assess, or recover any tax due, thereby preventing the Department of Taxation from taking any action to recover any assessed taxes. The automatic stay normally continues in effect until the case is dismissed, the taxpayer is granted or denied a discharge, or the stay is lifted by the bankruptcy court.

Under present Hawaii law, the statute of limitations period to make assessments of taxes continues to run during bankruptcy proceedings although the assessment or collection of the taxes is prohibited during such proceedings. Thus, under current law, if the bankruptcy proceedings run longer than the statutory period, the Department of Taxation would be barred from recovering any taxes.

This bill provides for the suspension of the running of the limitation period during Title XI bankruptcy proceedings plus an additional sixty days. When the suspension period ends, the portion of the limitation period unexpired starts running again.

Your Committee finds that the provisions of this measure are similar to section 6503(i) of the Internal Revenue Code and will give the State equal access to assessments for delinquent taxes.

Testimony in support of this measure was received from the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 801 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 556 Finance on H.B. No. 811

The purpose of this bill is to include trustees in bankruptcy in the definition of "person" for purposes of the general excise tax.

Your Committee finds that the general excise tax has been imposed against a bankruptcy estate for the privilege of doing business in the State. However, the law was without specific reference to trustees of a bankruptcy estate. This bill

provides clarification by stating specifically that trustees in bankruptcy are included in the definition of a "person" who would be subject to the general excise tax law.

Testimony in favor of this measure was received from the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii.

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

Signed by all members of the Committee.

SCRep. 557 **Finance on H.B. No. 1855**

The purpose of this bill is to amend section 235-2.4(1), Hawaii Revised Statutes (HRS), by extending the deferral of gain provisions of section 1034(a), Internal Revenue Code (IRC), to a taxpayer serving on extended active duty with the armed forces of the United States at the time of sale of the old residence.

Section 1034(a), IRC, provides that if property used as the taxpayer's principal residence is sold and, within a specified period, new property is purchased and used by the taxpayer as the taxpayer's principal residence, any gain from the sale is recognized only to the extent that the taxpayer's adjusted sales price of the old residence exceeds the taxpayer's cost of purchasing the new residence. In effect, the taxpayer can defer the payment of taxes on any capital gains realized as a result of selling one's principal residence when the proceeds from the sale are rolled over into a purchase of a replacement residence of equal or greater value.

Section 235-2.4 (1), HRS, limits the application of section 1034, IRC, to:

- (1) A taxpayer (resident or nonresident) who purchases a replacement residence located within Hawaii; or
- (2) A taxpayer who is a resident of Hawaii, taxable upon the taxpayer's entire income, computed without regard to source within Hawaii.

This bill will also extend the deferral of gain provisions to a taxpayer serving on extended active military duty.

Your Committee received testimony in support of this measure from the Chamber of Commerce of Hawaii and the Commander in Chief of the United States Pacific Command. Testimony was also submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1855 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 558 **Finance on H.B. No. 799**

The purpose of this bill is to amend the manner in which interest is computed on the refund and underpayment or nonpayment of taxes administered by the Department of Taxation.

Currently, interest is added to a tax refund when certain time limits for processing a tax return filed with the Department of Taxation are exceeded. Interest must be added when:

- (1) The Director of Taxation approves a refund voucher after the later of 90 days from the date the tax return was received by the Department or the prescribed filing date; or
- (2) The Comptroller sends the refund check after 45 days from the voucher approval date.

Interest is also added to a tax refund when a taxpayer files for a tax refund after 90 days from the prescribed filing date for the tax return. If either the Director or Comptroller exceed the time limits, the interest is computed from the prescribed filing date of the return to the date the Comptroller sends the refund check to the taxpayer. In the case of a claim for a refund filed after 90 days from the prescribed filing date, interest is currently computed from the first day of the month following the prescribed filing date until the date the refund voucher is approved.

As a result, a taxpayer filing a return after the due date receives interest on any overpayment of taxes from the due date of the return even if the filing occurs after 90 days after the due date of the return. This would be the case for those filing returns after applying for extensions of the filing date.

This bill provides for the payment of interest on refunds from the date the tax return is received by the Department if the return is filed after the due date. Interest on tax returns filed on time will be computed from the due date of the return.

In the case of an underpayment or nonpayment of tax, interest is currently added to the tax liability from the first month following the prescribed date for payment. This bill allows interest to be computed beginning with the date prescribed for payment.

Your Committee finds that the provisions of this measure will eliminate the interest windfall for taxpayers filing for a refund of taxes 90 days after the prescribed filing date. In addition, the provisions of this measure will provide for the computation of interest to be comparable with federal law with respect to tax overpayments and underpayments.

Testimony in favor of this measure was received from the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 799 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 559 **Finance on H.B. No. 734**

The purpose of this bill is to extend the medical services excise tax credit from December 31, 1991, to an undetermined year.

The Legislature by Act 321, Session Laws of Hawaii 1989, established a refundable medical services excise tax credit. This tax credit returns to the resident taxpayers the general excise tax paid on medical expenses that are passed on to them. This tax credit is scheduled to "sunset" on December 31, 1991.

Your Committee finds that an extension of the medical services excise tax credit will allow the Department of Taxation and the Legislature to evaluate the effects of this tax credit without making it a permanent feature of the State income tax law.

Testimony in support of extending the medical services excise tax credit was received from the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii.

Accordingly, your Committee has amended section 1 of the bill to extend the tax credit to December 31, 1996.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 734, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 560 **Finance on H.B. No. 797**

The purpose of this bill is to ensure continued conformity with the Internal Revenue Code as it affects the determination of gross income, adjusted gross income, ordinary income, and losses. The bill further corrects an erroneous adoption of federal law as it relates to a parent's election to include certain income of a child under age 14 on the parent's return.

This bill amends section 235-2.3, Hawaii Revised Statutes (HRS), by amending subsection (a) to adopt the Internal Revenue Code, as amended as of December 31, 1990, within the limits provided by that section and section 235-2.4, HRS. Housekeeping amendments are made to this section to reflect new or repealed federal code sections.

Furthermore, section 235-7.5, HRS, is amended to correct an erroneous adoption of federal law as it relates to a parent's election to include certain income of a child under the age of 14 on the parent's return. This section is corrected to reflect the use of Hawaii's income tax rates rather than federal rates.

Your Committee finds that although many of the changes have little or no impact on Hawaii law, adopting the amendments of those sections operative for State income tax purposes assures continued State conformity with federal income tax law and minimizes the taxpayer's burdens in complying with Hawaii's tax laws.

Testimony in support of this measure was received from the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 797, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 561 **Finance on H.B. No. 148**

The purpose of this bill is to change the submittal dates of the six-year program and financial plan, the biennial budget, the supplemental budget, and the variance report to the Legislature to not fewer than thirty days before the opening day of the appropriate legislative session.

Current law requires the State administration to submit such information to the Legislature not fewer than twenty days before the convening of the appropriate legislative session.

Testimony was received from the Department of Budget and Finance.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 148 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 562 Finance on H.B. No. 1202

The purpose of this bill is to amend Act 300, Session Laws of Hawaii 1990, to reference Waipahu Intermediate School in place of Waipahu High School.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1202 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 563 Finance on H.B. No. 2039

The purpose of this bill is to appropriate \$100,000,000, to be deposited into the Water Pollution Control Revolving Fund to provide financial assistance to governmental agencies for the planning, design, and construction of treatment works.

Testimony in support of this measure was received from the State Department of Health and the Department of Public Works of the City and County of Honolulu.

Your Committee has amended this bill by appropriating the sum of \$1 for purposes of continued discussion.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2039, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 564 Finance on H.B. No. 1043

The purpose of this bill is to facilitate the evaluation of claims under the Uniform Unclaimed Property Act by requiring holders of unclaimed property valued at \$50 or more to report the taxpayer identification number of each owner entitled to unclaimed property.

Current law requires holders of unclaimed property to report only the name and last known address of each owner entitled to \$50 or more.

Testimony in support of this measure was received from the Department of Budget and Finance.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1043, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 565 Finance on H.B. No. 1682

The purpose of this bill is to add official bank checks to the list of acceptable bid instruments for public contracts.

Testimony in support of this measure was received from the Department of Accounting and General Services and the Department of Finance of the City and County of Honolulu.

Your Committee has amended the bill to define official bank checks as a cashier's, treasurer's or teller's check.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1682, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.