

SCRep. 566 Water, Land Use and Hawaiian Affairs on H.B. No. 1229

The purpose of this bill, as received by your Committee, is to require that: (1) first priority be given to Native Hawaiians for general leases of Hawaiian home lands; and (2) no general leases be issued unless homestead leases have been first offered to applicants for the same area.

Your Committee received testimony from the Department of Hawaiian Home Lands (DHHL), the Native Hawaiian Legal Corporation (NHLIC), and the State Council of Hawaiian Homestead Associations.

DHHL testified that Section 204(2) of the Hawaiian Homes Commission Act already authorizes that general lease dispositions be made to Native Hawaiians prior to the general public. For this reason, that amendment is unnecessary. With regard to the proposed amendment regarding the issuance of general leases, DHHL expressed concern that this provision would eliminate or greatly reduce DHHL's ability to generate additional revenues which are needed to support homestead development activities. As a result, the impact would be to eventually reduce the offering of improved homestead lots.

Your Committee concurs with DHHL that the amendments contained in this bill should not be supported. At the same time, during questioning, your Committee determined that the current provisions that limit commercial leases to 65 years has proven to be a hindrance to DHHL in attracting new lessees. This has prevented DHHL from obtaining maximum returns on its commercial leases. Accordingly, your Committee has amended this bill by replacing the text with language that exempts DHHL from the lease restrictions in Section 171-36, Hawaii Revised Statutes, as it relates to commercial or industrial leases. The new language also authorizes DHHL to extend or modify the fixed rental period of the lease and to extend the term of the lease, subject to certain restrictions.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1229, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 567 Planning and Economic Development on H.B. No. 910

The purpose of this bill is to allow officers or employees of the State or its political subdivisions to be appointed as public members of the High Technology Development Corporation Board of Directors. The bill also deletes the requirement that the University of Hawaii member of the Board must be from the College of Engineering.

The Board of Directors of the High Technology Development Corporation has nine members. Six of the members are appointed from the general public, and one is appointed from the faculty of the University of Hawaii College of Engineering. Currently, none of the six members are permitted to be officers or employees of the State or its political subdivisions.

Testimony in support of this bill was received from the High Technology Development Corporation.

Your Committee has amended this bill to allow no more than one of the public members of the Board to be an officer or employee of the State. Your Committee has retained the prohibition against officers or employees of the State's political subdivisions serving as public members of the Board.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 910, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 910, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 568 Finance on H.B. No. 1038

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 3 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1991-1993.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10, Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1991. Since an agreement for the bargaining unit is not expected to be reached in time to include the cost items in the 1991-1993 biennium budget, this separate measure may be necessary.

Testimony in support of this measure was submitted by the State Office of Collective Bargaining.

For purposes of continued discussion, your Committee has amended this bill to insert the sum of \$1 for each of the appropriated amounts. The effective date of this measure has been amended to take effect on July 1, 1991.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1038, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 569 **Finance on H.B. No. 1039**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 4 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1991-1993.

Fund authorizations and appropriations by the Legislature are necessary, in accordance with Section 89-10, Hawaii Revised Statutes, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining unit representatives for the fiscal biennium commencing July 1, 1991. Since an agreement for the bargaining unit is not expected to be reached in time to include the cost items in the 1991-1993 biennium budget, this separate measure may be necessary.

Testimony in support of this measure was submitted by the State Office of Collective Bargaining.

For purposes of continued discussion, your Committee has amended this bill to insert the sum of \$1 for each of the appropriated amounts. The effective date of this measure has been amended to take effect on July 1, 1991.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1039, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 570 **Finance on H.B. No. 1040**

The purpose of this bill is to provide fund authorizations and appropriations for wage and other adjustments for the fiscal biennium 1991-1993 for officers and employees excluded from collective bargaining.

Section 89C-2, Hawaii Revised Statutes, stipulates that the compensation, laws, terms, and conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted. Further, Section 89C-5, Hawaii Revised Statutes, stipulates that any adjustments that constitute cost items shall be subject to appropriation by the Legislature. Since these adjustments are not expected to be formulated in time to include the resulting cost items in the 1991-1993 biennium budget, this separate measure may be necessary.

Testimony in support of this measure was submitted by the State Office of Collective Bargaining.

For purposes of continued discussion, your Committee has amended this bill to insert the sum of \$1 for each of the appropriated amounts. The effective date has been amended to take effect on July 1, 1991.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1040, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 571 **Finance on H.B. No. 99**

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

Testimony was received from the Housing Finance and Development Corporation (HFDC), Hawaii Housing Authority (HHA), and the Land Use Research Foundation of Hawaii.

Although HFDC and HHA testified that the task force would duplicate some of the functions of the Housing Functional Plan Advisory Committee and the Oahu Rental Housing Task Force, the HFDC representative acknowledged that the functions of the proposed task force are broader in scope and, if adequately staffed and funded, could be effective in seeking solutions to produce more affordable housing.

Accordingly, your Committee has amended the bill by appropriating the sum of \$1 for purposes of continued discussion.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 99, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 99, HD 2.

Signed by all members of the Committee.

SCRep. 572 **Finance on H.B. No. 370**

The purpose of this bill is to appropriate funds to assist in the inventory, return, and dignified reinterment of Native Hawaiian bones now curated or stored in various museums and other scientific facilities.

Testimony in support of this measure was submitted by Office of Hawaiian Affairs (OHA), the State Council of Hawaiian Homestead Associations, and the Bishop Museum.

Your Committee has amended the bill to change the source of funding by providing that one-half of the total funding amount will be from the OHA special fund. Technical, nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 370, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 370, HD 1.

Signed by all members of the Committee.

SCRep. 573 **Finance on H.B. No. 1177**

The purpose of this bill is to appropriate funds and to authorize the issuance of general obligation bonds to replace the current voting system with a new, totally electronic voting system.

Your Committee received testimony on this measure from the Office of the Lieutenant Governor, the Association of Clerks and Election Officers of Hawaii, the Democratic Party of Hawaii, the Temporary Advisory Committee on Electronic Voting Systems, and Common Cause Hawaii.

Upon further consideration, this measure has been amended by:

- (1) Deleting the section authorizing the issuance of general obligation bonds to acquire the voting system;
- (2) Inserting the sum of \$1 for fiscal biennium 1991-1993 for costs related to the acquisition of the voting system for the purposes of continued discussion; and
- (3) Making other 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. 1177, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1177, HD 1.

Signed by all members of the Committee.

SCRep. 574 **Finance on H.B. No. 1288**

The purpose of this bill is to appropriate funds for the development of a master plan for the promotion of culture and the arts in the State, including an evaluation on the feasibility of establishing an Office of Cultural Affairs.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts, the Special Assistant to the Governor for Cultural Affairs, and the Bishop Museum.

Your Committee has amended this bill by appropriating the amount of \$50,000 for fiscal year 1991-1992. Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1288, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1288, HD 2.

Signed by all members of the Committee.

SCRep. 575 **Finance on H.B. No. 2109**

The purpose of this bill is to provide the necessary funding for the University of Hawaii's School of Public Health to continue its investigation of volcanic air pollution until the Department of Health develops the capability to conduct routine monitoring for volcanic air pollutants.

Testimony in support of this measure was received from the Department of Health, the Hawaii Vog Authority, the University of Hawaii's School of Public Health, and the American Lung Association of Hawaii.

Your Committee has amended this bill by making 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. 2109, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2109, HD 2.

Signed by all members of the Committee.

SCRep. 576 **Finance on H.B. No. 2138**

The purpose of this bill is to extend the current suspension of the liquor tax escalator from June 30, 1991, to June 30, 1993.

This bill also eliminates references to "unit price" and "dollar volume" in sections 244D-1, 244D-6, and 244D-9, Hawaii Revised Statutes.

Testimony in opposition to this measure was presented by the Department of Taxation. The Wholesale Liquor Dealers Association of Hawaii, Miller Brewing Company, Anheuser-Busch Companies, Better Brands, Ltd., Coors Brewing Company, and Eagle Distributors urged for a repeal of the escalator clause rather than for a continued suspension. The Wine Institute testified in favor of this bill, citing the need to assess the impact of taxation changes on the wine industry. The Tax Foundation of Hawaii suggested changing to a straight per unit taxing approach.

Your Committee recognizes the concerns raised by the various parties. However, your Committee at this time concurs on continuing the temporary suspension of the escalator clause.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2138, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2138, HD 2.

Signed by all members of the Committee.

SCRep. 577 **Finance on H.B. No. 851**

The purpose of this bill is to transfer the State Capitol tour service function of the Legislature to the Governor's Office of Information until such time as the State Capitol renovation project is complete.

Testimony in support of this measure was received from the Governor's Office of Information and the Department of Accounting and General Services.

For purposes of continued discussion, your Committee has amended this bill to insert the sum of \$1 for each of the appropriated amounts.

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. 851, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 851, HD 2.

Signed by all members of the Committee.

SCRep. 578 **Finance on H.B. No. 844**

The purpose of this bill is to initiate a program to improve the statewide rainfall and flood information system whereby selected potential flood area rain gauges can be queried to provide County and State Civil Defense with rainfall information.

Testimony in support of this measure was submitted by the Department of Defense and the National Weather Service, Pacific Region.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 844, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 579 **Finance on H.B. No. 802**

The purpose of this bill is to amend Section 235-97, Hawaii Revised Statutes (HRS), to require estates and trusts to file declarations of, and to pay, estimated income taxes. This measure further clarifies that S corporations are required to file estimated returns.

This bill also amends the reference to the attribution of income to reflect a 1988 amendment by substituting a reference to Sections 235-21 to 235-39, HRS, for the reference to Section 235-5, HRS, which no longer applies to business income.

Finally, this bill increases the floor for the filing of estimated taxes from \$40 to \$100 to reduce the total number of forms that must be processed by the Department of Taxation.

Your Committee finds that this measure will increase conformity with existing provisions of the Internal Revenue Code as well as simplify taxpayer compliance.

Your Committee received testimony on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 802 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 580 Finance on H.B. No. 1208

The purpose of this bill is to amend Section 244D-1, Hawaii Revised Statutes, by amending the definition of "cooler beverage" to include a "spirit cooler" containing distilled spirits, added natural or artificial blending materials, water, colorings, preservatives, and less than seven percent of alcohol by volume.

Testimony in support of this measure was received from Bacardi Imports, Inc., Better Brands, Ltd., and the Distilled Spirits Council of the United States.

Testimony in opposition of this measure was received from the Department of Taxation, the Tax Foundation of Hawaii, and the Wine Institute.

It is your Committee's understanding that this bill will allow spirit coolers to be taxed at the same rate as other cooler beverages of comparable alcohol content and thus provide equal tax treatment for these beverages under State liquor laws.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1208 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 581 Finance on H.B. No. 831

The purpose of this bill is to incorporate revisions to the appointment and certain administrative practices of the Medical Claims Conciliation Panel. Specifically, this bill specifies that:

- (1) The Director of the Department of Commerce and Consumer Affairs will appoint the chair of a panel from a list of recommended eligible persons approved by the Chief Justice of the Hawaii Supreme Court. Currently, the Chief Justice appoints the panel chairs;
- (2) Physicians or surgeons appointed to the panels by the respective chairs shall be currently licensed and in good professional standing;
- (3) While consultants called by a panel to appear before the panel shall be compensated at the rate of \$300 per claim, if a claim is disposed of prior to the hearing, the consultant may be compensated at \$150;
- (4) The chair, panel members and consultants called by the panel to appear before the panel will be paid allowances for related travel and living expenses; and
- (5) The chair of a panel can designate alternative meeting places or sites for the panel hearings.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 831 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 582 Finance on H.B. No. 7

The purpose of this bill is to delete the scheduling restrictions of the motor vehicle driver education training program and open the program to all public or private high school students.

Testimony in support of this measure was received from the Department of Education and the Department of Transportation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 7, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 583 **Finance on H.B. No. 1116**

The purpose of this bill is to appropriate funds to continue a comprehensive review of Hawaii laws relating to financial institutions.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Independent Insurance Agents Association, the Hawaii Bankers Association, the Hawaii Credit Union League, and the Bishop Trust Company, Ltd.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1116 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 584 **Finance on H.B. No. 1604**

The purpose of this bill is to amend Section 309-1.5, Hawaii Revised Statutes, by removing current approval requirements that hinder the ability of the student loan secondary market to respond on a timely basis to the needs of participating student loan lenders.

Your Committee finds that this bill would authorize the Governor to request that Hawaii Educational Loan Marketing Corporation (HELMAC), a private not-for-profit corporation, to be established and operated exclusively for the purpose of acquiring student loan notes held by local institutions under the Federal Education Act of 1965. This would provide liquidity for investments in student loans.

Testimony in support of the bill was submitted by the University of Hawaii and the Hawaii Educational Loan Program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1604 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 585 **Judiciary on H.B. No. 945**

The purpose of this bill is to exempt the Department of Public Safety and the Office of Youth Services from state and county requirements relating to planning, zoning, and construction for the renovation or expansion of existing facilities or construction of new facilities located in Kailua, Oahu.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 945, as amended herein, and recommends that it be recommitted to the Committees on Human Services and Judiciary, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 945, HD 1.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Oshiro, Takamine and Yoshimura.

SCRep. 586 **Finance on H.B. No. 966**

The purpose of this bill is to appropriate \$568,486.91 to victims who were awarded compensation by the Criminal Injuries Commission during 1990.

Eligible victims were, in large part, compensated for out-of-pocket medical expenses, loss of earnings, funeral and burial expenses, and pain and suffering.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 966 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 587 **Finance on H.B. No. 813**

The purpose of this bill is to establish a credit for "employment of vocational rehabilitation referrals" to replace the existing "targeted jobs credit" which is dependent upon the provisions of Section 51 of the Internal Revenue Code.

The current statutory reference to this section prohibits the application of this particular tax incentive to wages paid after September 30, 1990. This measure would resolve this problem and any subsequent timing problems which may result in conforming to the provisions of Section 51.

Testimony in favor of this measure was received from the Department of Taxation, the State Planning Council on Developmental Disabilities, and the Commission on Persons with Disabilities. The Tax Foundation also presented testimony on this bill.

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

Signed by all members of the Committee.

SCRep. 588 Finance on H.B. No. 610

The purpose of this bill is to:

- (1) Exempt the position of Deputy Administrative Director of the Courts from civil service status; and
- (2) Authorize the Administrative Director of the Courts to appoint a Deputy Administrative Director and other necessary assistants without regard to Chapters 76 and 77, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 610, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 589 Finance 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 received testimony in support of this measure from the HFDC.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1049 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 590 Finance on H.B. No. 809

The purpose of this bill is to allow general contractors to claim a general excise tax subcontractor deduction for payments made to foreign subcontractors who are not required to be licensed under the laws of the State of Hawaii because these foreign subcontractors perform services exclusively on federal property.

At the present time, Section 237-13(3)(B), Hawaii Revised Statutes (HRS), allows a contractor to take a deduction from gross income for amounts paid to a subcontractor, if the subcontractor:

- (1) Is licensed pursuant to Chapter 444, HRS; and
- (2) Has paid the State the four percent general excise tax on the amount of the gross income being deducted.

Because foreign subcontractors working only on projects on federal property are not required to be licensed under Chapter 444, HRS, currently a general contractor could not claim this deduction for payments made to a foreign subcontractor. This creates an unconstitutional discrimination against foreign subcontractors, because it is cheaper for the general contractor to hire a locally licensed subcontractor, even if a foreign subcontractor bids the same price.

This bill allows general contractors to claim the subcontractors deduction for foreign subcontractors as well as locally licensed subcontractors.

Your Committee received testimony in favor of this bill from the Department of Taxation noting that this new deduction would apply to a very narrow set of circumstances and class of foreign subcontractors working exclusively on projects on federal property. The Tax Foundation also submitted testimony.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 809 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 591 Finance on H.B. No. 1055

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue an additional \$100,000,000 of tax exempt revenue bonds to finance and refinance any rental housing projects developed or acquired by the HFDC under Chapter 201E, Hawaii Revised Statutes.

Your Committee received testimony in strong support of this measure from the HFDC. This testimony indicated that the HFDC is currently authorized to issue revenue bonds for the foregoing purposes in the aggregate principal amount of \$275,000,000. To date, the HFDC has issued revenue bonds aggregating \$100,650,000 to finance the development of 872 units. The additional \$100,000,000 of revenue bond authorization sought by this bill will bring the aggregate authorization up to \$375,000,000.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1055 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 592 **Finance on H.B. No. 1122**

The purpose of this bill is to allow retirants to vote for members of the Board of Trustees of the State Employees' Retirement System.

Retirants are currently excluded from elections on the grounds that their membership ceased upon retirement. This measure will allow retirants to participate in the election of their employee trustee members.

Testimony on this measure was submitted by the State Employees' Retirement System and the Coalition of Hawaii State and Counties Retirees.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1122 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 593 **Finance on H.B. No. 1041**

The purpose of this bill is to continue the investment yield rate of eight percent for the State Employees' Retirement System's actuarial valuations for fiscal years ending 1991 and 1992.

The investment yield rate and certain noneconomic and economic assumptions recommended by the State Employees' Retirement System's actuary are utilized by the System's Board of Trustees to determine the state and county governments' annual contributions to the System.

Since the eight percent investment yield rate expired on June 30, 1990, this measure would continue the investment yield rate for the fiscal years ending 1991 and 1992.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1041, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 594 **Finance on H.B. No. 1034**

The purpose of this bill is to amend the powers and duties of the Department of Transportation (DOT) cited in Section 266-2, Hawaii Revised Statutes, to be consistent with the jurisdiction of the Department over ocean waters and navigable streams.

Your Committee finds that this housekeeping measure corrects a 1986 amendment to Section 266-2, which inadvertently deleted the DOT's jurisdiction over the ocean waters of the State.

Testimony in support of this bill was submitted by the Department of Transportation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1034 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 595 **Finance 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 exempt from the civil service requirements of Chapters 76 and 77 of the Hawaii Revised Statutes (HRS).

Your Committee received supporting testimony from the Hawaii Civil Rights Commission (Commission).

Currently, Section 368-3(8), HRS, allows the Commission to appoint an Executive Director, attorneys, and hearings examiners, who are exempt from Chapters 76 and 77, HRS. The Commission testified that because of an oversight, the provision did not include the Deputy Executive Director position.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1005, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 596 Finance on H.B. No. 890

The purpose of this bill is to deposit the balance of monies appropriated in fiscal year 1990-91 for the Year of the Family Celebration into the Year of the Family Celebration Trust Fund.

Testimony in support of this bill was received from the Governor's Office of Children and Youth, the American Freedom Coalition Task Force on the Family, and the chairperson of the Commission to Celebrate the Year of the Family Celebration.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 890 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 597 Finance on H.B. No. 1084

The purpose of this bill is to appropriate \$40,000 for the completion of the Statewide Tsunami Inundation and Evacuation Project.

Testimony submitted by an employee and Emeritus Professor of the Environmental Center at the University of Hawaii at Manoa indicates inundation and evacuation zone maps for use in tsunami or hurricane emergencies were recently completed. However, in order to maximize the use of the prepared zone maps, the sum appropriated is needed to:

- (1) Assist the counties in selecting sites for special evacuation road signs;
- (2) Update maps to include several areas currently under development which will be occupied within the next 3 years;
- (3) Provide information for the review of existing State Civil Defense Agency computer maps;
- (4) Assist the County of Kauai and the City and County of Honolulu in determining the hurricane flooding areas to be incorporated into evacuation maps; and
- (5) Catalog all relevant information for a fully detailed report to be used to update the tsunami inundation and evacuation zones.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1084 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 598 Finance on H.B. No. 2034

The purpose of this bill is to:

- (1) Increase the minimum wage from \$3.85 per hour to \$4.75 per hour beginning January 1, 1992 and to \$5.25 per hour beginning January 1, 1993; and
- (2) Increase the guaranteed monthly compensation that exempts an employee from coverage under Hawaii's Wage and Hour Law from \$1,000 to \$1,250.

Your Committee received divergent views on this measure. The Department of Labor and Industrial Relations testified in support of increasing the minimum wage and in opposition to increasing the guaranteed monthly compensation.

The Chamber of Commerce of Hawaii, the Retail Merchants of Hawaii, the Hawaii Business League, and the National Federation of Independent Business of Hawaii testified in opposition to this bill.

Testimony in support of this measure was received from the Hawaii State AFL-CIO and the Hotel Employees and Restaurant Employees Union, Local 5.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2034, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 599 **Finance 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:

- (1) State and county retirees with fewer than ten 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;
- (2) Children enrolled in the children's dental plan to the total monthly premiums; and
- (3) State and county retirees enrolled in the group life insurance benefits plan to the total monthly premiums.

According to the received testimony by the Hawaii Public Employees Health Fund, approximately 500 persons will be affected under the health insurance plan, 30 children under the dental plan, and 485 persons under the life insurance plan.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1044, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 600 **Finance on H.B. No. 1121**

The purpose of this bill is to amend the Public Employees Health Fund law to authorize the Board of Trustees (Board) to determine a long-term care benefits plan for employee-beneficiaries, their spouses, and qualified-beneficiaries who enroll between the ages of 20 and 85.

Your Committee received supporting testimony from the Hawaii Public Employees Health Fund and the Coalition of Hawaii State-Counties Retirees Association.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1121, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 601 **Finance 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.

Your Committee received supporting testimony from the Department of Labor and Industrial Relations and the International Longshoremen's and Warehousemen's Union Local 142.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 183 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 602 **Finance on H.B. No. 625**

The purpose of this bill is to ensure that State officials receive adequate legal representation by funding two deputy attorney general positions to defend State officials in federal court lawsuits brought by convicted defendants.

Your Committee received testimony in support of this measure from the Office of the Prosecuting Attorney, City and County of Honolulu, and the Hawaii Prosecuting Attorneys Association.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 625 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 603 **Judiciary on H.B. No. 213**

The purpose of this bill is to amend Chapter 11, Hawaii Revised Statutes, to:

- (1) Require candidates to fill additional preliminary reports of contributions and expenditures;
- (2) Provide for immediate reporting of contributions and expenditures over \$500 which occur after the closing date for the pre-election report; and

- (3) Expand the scope of information required in organizational reports filed by non-candidate committees.

H.B. No. 213 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used for convenience to introduce a bill containing only a general idea as to its purpose and means without specific details 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 properly be held on its substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 213, as amended herein, and recommends that it be recommitted to the Committee on Judiciary, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 213, HD 1.

Signed by all members of the Committee except Representatives Morihara, Oshiro, Yoshimura and Thielen.

SCRep. 604 Finance on H.B. No. 1748

The purpose of this bill is to appropriate funds to the Department of Education (DOE) to plan and conduct public forums for debating governance of public education in Hawaii. This bill also establishes a Blue Ribbon Panel to study governance and to report its findings and recommendations to the Legislature before the 1992 legislative session begins.

The forums would allow Hawaii citizenry, on a statewide basis, to receive information, to discuss issues, and to participate in an educational reform effort in a meaningful way.

Testimony in support of this measure was submitted by the DOE, the Statewide Network of Public School Parents, the Kapaa Elementary School PTSA, and the Hawaii Business Roundtable.

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

- (1) Appropriated \$100,000 for fiscal year 1991-1992;
- (2) Clarified that the Blue Ribbon Panel shall be established within the Department of Education and shall cease to operate after June 30, 1992; and
- (3) Made other 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. 1748, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1748, HD 2.

Signed by all members of the Committee.

SCRep. 605 Finance on H.B. No. 237 (Majority)

The purpose of this bill is to appropriate funds for the Department of Business, Economic Development, and Tourism (DBED) to conduct a study on the feasibility of creating public storage facilities for petroleum products.

Your Committee received testimony from DBED, the Attorney General's Office, and the Hawaii Automotive and Retail Gasoline Dealers Association.

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

- (1) Deleting the appropriation for the study;
- (2) Requiring DBED to report its findings and recommendations to the Legislature at least twenty days prior to the convening of the 1992 regular session; and
- (2) Correcting certain technical, nonsubstantive errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 237, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 237, HD 2.

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

SCRep. 606 Finance 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 Office of State Planning (OSP).

Under this bill, OSP 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 Office of State Planning, DBED, and the University of Hawaii's School of Ocean and Earth Science and Technology testified in support of this bill.

Upon further consideration, your Committee has amended this bill by replacing the \$1 appropriation with a sum of \$50,000.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 339, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 339, HD 2.

Signed by all members of the Committee.

SCRep. 607 Finance on H.B. No. 985

The purpose of this bill is to authorize the Governor to transfer funds between existing State programs for the purpose of paying workers' compensation claims against the State during fiscal year 1990-1991.

The Department of Personnel Services Director noted that the amount budgeted for workers' compensation claims against the State was established in 1988, and that at the time, the Department did not:

- (1) Believe the trend for the claims filed would change significantly; and
- (2) Foresee the assumption of responsibility for the management of the Department of Education's workers' compensation claims.

Based on projections forecasting the expenditure of approximately \$1 million per month, the original appropriation of \$9,724,600 will not be sufficient to meet the needs of the current fiscal year.

Your Committee has revised this bill by making technical, nonsubstantive revisions for the purpose of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 985, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 985, HD 1.

Signed by all members of the Committee.

SCRep. 608 Finance on H.B. No. 514

The purpose of this bill is to strengthen Hawaii's rural health and native Hawaiian programs by appropriating funds to the Aloha Health Corps, the Governor's Pacific Health Promotion and Development Center, and the Waianae Diet Program.

Testimony in support of the bill was received from the Department of Health, the University of Hawaii, Native Hawaiian Health Professionals, the Director of Preventive Medicine of the Waianae Coast Comprehensive Health Center, and other concerned parties.

Your Committee has amended the measure by:

- (1) Deleting all references to the Governor's Pacific Health Promotion and Development Center and the Waianae Diet Program;
- (2) Changing the funds appropriated in sections 2 and 3 to the amount of \$60,000 for each year of the fiscal biennium 1991-93, for the administration and stipends of the Aloha Health Corps; and
- (3) Making other 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. 514, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 514, HD 1.

Signed by all members of the Committee.

SCRep. 609 Finance 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 for:

- (1) Employees appointed by the Board pursuant to Section 304-11, Hawaii Revised Statutes; and
- (2) Members of bargaining units 7 and 8 as an alternative to their participation in the Employees' Retirement System.

The University of Hawaii, the University of Hawaii Professional Assembly, TIAA-CREF, and the Variable Annuity Life Insurance Company testified in favor of this bill. The testimonies indicated that an 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.

The HGEA/AFSCME Local 152 testified against this bill.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 548, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 548, HD 2.

Signed by all members of the Committee.

SCRep. 610 Finance on H.B. No. 2159

The purpose of this bill is to amend Section 326-40, Hawaii Revised Statutes, by:

- (1) Designating the three classes of Hansen's disease patients residing in Hawaii as follows:
 - (a) Those who currently reside at Kalaupapa;
 - (b) Those formerly detained at Kalaupapa or Hale Mohalu who presently reside elsewhere in Hawaii; and
 - (c) Those who were never detained by the State;
- (2) Setting forth the State's policy that current and former patient residents of Kalaupapa as well as Hansen's disease patients formerly detained at Hale Mohalu shall be accorded adequate health care and other services necessary to maintain dignity for the remainder of their lives wherever they may currently dwell within the State; and
- (3) Setting forth the State's policy that Hansen's disease patients who have become residents of the State after June 30, 1969, shall be accorded the best medical attention and services possible.

Your Committee received testimony in strong support of this measure from the Department of Health.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2159, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2159, HD 2.

Signed by all members of the Committee.

SCRep. 611 Finance on H.B. No. 1538

The purpose of this bill is to require the payment of Temporary Disability Insurance (TDI) 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.

The courts have interpreted the existing law to mean that TDI benefits should be paid only during the seasonal period even though the disability extends beyond the employer's seasonal period. This bill would bring the TDI law into conformity with its intent and purpose.

Representatives from the Department of Labor and Industrial Relations and the ILWU Local 142 testified in support of this bill.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1538, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1538, HD 2.

Signed by all members of the Committee.

SCRep. 612 Finance on H.B. No. 1078

The purpose of this bill is to allow the Board of Trustees of the Hawaii Public Employees Health Fund (Board) to appoint its own legal counsel. The bill also provides that the Attorney General or the Attorney General's representative may serve as the Board's legal adviser.

Under current law, the Attorney General represents the Board as its legal adviser on all issues, rules, contracts, and other matters. However, as a cabinet officer of the Governor, the Attorney General (or the appointed representative) may have a potential conflict of interest, because the Governor is:

- (1) Defined as an "employer" by Chapter 89, Hawaii Revised Statutes;
- (2) An employee of the State; and
- (3) An employee-beneficiary of the Health Fund.

The Hawaii Government Employees Association testified in support of this bill.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1078, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1078, HD 1.

Signed by all members of the Committee.

SCRep. 613 Finance 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. These positions, however, 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 Committee has amended the bill 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. 1124, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1124, HD 1.

Signed by all members of the Committee.

SCRep. 614 Finance on H.B. No. 516

The purpose of this bill is to mandate the establishment and development of preventative health services for chronic diseases within the Department of Health.

This measure specifies that the State shall:

- (1) Take a leadership role in the prevention and control of chronic health problems such as smoking, heart disease, diabetes, strokes, and hypertension; and
- (2) Provide preventive health services for chronic diseases.

Testimony was submitted by the Department of Health.

Upon further consideration, this measure has been amended by:

- (1) Inserting the annual report requirement noting the correlation between the Department's budget priorities and the community's health problems into the Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 516, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 516, HD 1.

Signed by all members of the Committee.

SCRep. 615 Finance on H.B. No. 812

The purpose of this bill is to:

- (1) Decrease the amount of withholding required upon the disposition of Hawaii real property by a nonresident from nine per cent to five per cent of the amount realized; and
- (2) 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.

Your Committee received testimony from the Department of Commerce and Consumer Affairs (DCCA), the Department of Taxation, the Chamber of Commerce of Hawaii, the Hawaii Association of Realtors, and the Tax Foundation of Hawaii.

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

- (1) Incorporating the amendment to the definition of "resident person" as recommended by the DCCA; and
- (2) Correcting technical drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 812, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 812, HD 2.

Signed by all members of the Committee.

SCRep. 616 Finance on H.B. No. 124

The purpose of this bill is to amend the eligibility requirements for public assistance by authorizing the Department of Human Services (DHS) to disregard any payment or benefit, other than wages, received by a person for services in a voluntary or involuntary work program conducted by the DHS or by a person who obtains employment through personal initiatives.

The DHS testified in support of this bill and indicated that the provisions of this measure are consistent with federal regulations in the Aid to Families with Dependent Children program.

Your Committee has amended this measure by making 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. 124, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 124, HD 2.

Signed by all members of the Committee.

SCRep. 617 Finance on H.B. No. 547

The purpose of this bill is to establish a temporary executive committee, to be known as the Filipino Celebration Executive Committee, which will develop, plan, and coordinate all arrangements for the commemoration of the 85th anniversary of the arrival of the first Filipino immigrants to Hawaii.

Testimony in support of this measure was received from the Culture and Arts Committee of the United Filipino Council of Hawaii, the 85th Anniversary of the Filipino Migration to Hawaii Executive Committee, the Friends of Waipahu Cultural Garden Park, the Leeward Community College Filipino Task Force, the Waipahu Neighborhood Board, and concerned individuals.

Your Committee has amended this bill by amending the sum appropriated to \$1 for purposes of continued discussion.

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. 547, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 547, HD 3.

Signed by all members of the Committee.

SCRep. 618 Finance 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 in support of this measure from the Department of Personnel Services and the Department of Civil Service of the City and County of Honolulu.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 987, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 987, HD 2.

Signed by all members of the Committee.

SCRep. 619 Finance on H.B. No. 1615

The purpose of this bill is to:

- (1) Change the status of the ex officio directors of the Housing Finance and Development Corporation (HFDC) Board from voting to nonvoting members;
- (2) Increase the total number of directors on the HFDC Board from nine to twelve; and
- (3) Direct the Governor, in appointing public members, to include a representative from each of the following groups:
 - (a) Nonprofit groups that provide housing;
 - (b) Social service organizations that work with homeless; and
 - (c) Nonprofit organizations that develop housing.

Your Committee received testimony on this measure from the HFDC. This testimony indicated that the Director of Finance, the Director of Business, Economic Development and Tourism, and the Governor's Special Assistant for Housing are ex-officio members who provide needed expertise in the areas which they represent. They attend HFDC Board meetings regularly and participate actively in discussions prior to decision-making. Because of their valuable contributions to the HFDC Board and the countless hours they spend in deliberations, the HFDC believes these ex-officio members should continue to be voting members.

Upon further consideration, your Committee has amended the bill by:

- (1) Changing the total number of directors on the HFDC Board to eleven;
- (2) Deleting the requirement that a representative from a social service organization working with the homeless be a member of the HFDC Board;
- (3) Restoring the voting status of the ex officio members of the HFDC Board; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1615, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1615, HD 2.

Signed by all members of the Committee.

SCRep. 620 Finance on H.B. No. 682

The purpose of this bill is to appropriate \$1 to establish the Governor's Applied Research Coordinating Committee for Ocean and Earth Science Technology within the Department of Business, Economic Development, and Tourism (DBED).

The eleven-member committee would have broad powers and duties, including the following:

- (1) Preparing and providing policy guidance for applied research on ocean and earth resources development in the State;
- (2) Reviewing proposals and projects by all State agencies in areas of applied research in ocean and earth science and technology, and activities of all departments that relate to applied research in ocean and earth science and technology;
- (3) Conducting periodic analysis and review of all existing and proposed ocean and earth related applied research programs;
- (4) Assisting the Director of DBED in developing applied research programs, projects, and plans; and
- (5) Recommending to the Director of DBED programs for development based upon applied research results.

Your Committee received testimony in support of this bill from the University of Hawaii's School of Ocean and Earth Science and Technology and the Department of Business, Economic Development, and Tourism.

Upon further consideration, this measure was amended to:

- (1) Clarify that the Governor would select three of the Coordinating Committee members from technology-based industrial concerns; and
- (2) Change the expending agency to the Department of Business, Economic Development, and Tourism; and
- (2) Make 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. 682, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 682, HD 2.

Signed by all members of the Committee.

SCRep. 621 Finance on H.B. No. 362

The purpose of this bill is to appropriate funds to study the effects of repealing the interspousal tort immunity law on other areas of law.

Testimony in support of the intent of the study was offered by the Hawaii State Commission on the Status of Women, the Hawai'i Women's Political Caucus, Hawaii Women Lawyers, the Hawaii State Coalition Against Sexual Assault, and the Hawaii-Pacific Division of the American Association of University Women.

Your Committee has revised this bill by:

- (1) Inserting the sum of \$1 for purposes of continued discussion; and
- (2) Making 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. 362, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 362, HD 2.

Signed by all members of the Committee.

SCRep. 622 Finance on H.B. No. 821

The purpose of this bill is to:

- 1) Clarify obsolete provisions regarding fees and licensing boards; and
- (2) Establish certain limited delegated authority to executive secretaries of boards and commissions.

Under this bill, each board and commission, as well as the Director of the Department of Commerce and Consumer Affairs (DCCA), may delegate to the executive secretary or other personnel any of its powers of duties as it deems reasonable and proper for the administration of the licensing laws which are within the jurisdiction of the DCCA. However, no authority shall be delegated that adopts, amends, or repeals rules or takes final disciplinary action against a licensee.

The DCCA testified in support of this measure.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 821, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 821, HD 2.

Signed by all members of the Committee.

SCRep. 623 Finance 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 the Internal Revenue Code.

Your Committee finds that this program will augment current salary compensation and enhance the recruitment and retention of qualified government personnel.

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

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1048, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1048, HD 2.

Signed by all members of the Committee.

SCRep. 624 Finance on H.B. No. 699

The purpose of this bill is to allow 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 finds that this measure would enable qualified individuals to become contributory plan members of the Employees' Retirement System.

Testimony on this measure was submitted by: the Employees' Retirement System; the Hawaii Government Employees Association, AFSCME Local 152; the Construction Industry Legislative Organization, Inc.; and others.

Your Committee has amended this bill by making 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. 699, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 699, HD 1.

Signed by all members of the Committee.

SCRep. 625 **Finance on H.B. No. 24**

The purpose of this bill is to enable qualified members of the Hawaii National Guard and other military reserves stationed in Hawaii to receive a waiver of tuition fees for graduate studies pursued at campuses of the University of Hawaii system.

Testimony in support of this measure was received from the Department of Defense and the University of Hawaii. The Department of Defense testified that if enacted into law, this measure would enable the Guard to better recruit, develop, and retain more highly-skilled, motivated, and capable personnel in a competitive employment market and at a time of pressing organizational need.

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. 24, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 24, HD 1.

Signed by all members of the Committee.

SCRep. 626 **Finance on H.B. No. 382**

The purpose of this bill is to require a portion of the fees collected from cable television franchise holders to be deposited into the Public Broadcasting Revolving Fund for use in program production by the Hawaii Public Broadcasting Authority.

Supportive testimony was offered by the Hawaii State AFL-CIO, the Hawaii Public Broadcasting Authority, the Waianae Coast Culture and Art Project, the Screen Actors Guild of the American Federation of Television and Radio Artists, and a concerned citizen. The Hawaii Cable Television Association also presented testimony on this bill.

Your Committee has made technical, nonsubstantive amendments to the bill to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 382, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 382, HD 2.

Signed by all members of the Committee.

SCRep. 627 **Finance on H.B. No. 513**

The purpose of this bill is to establish the Reproductive Rights Committee within the Department of Health (DOH), State Planning Council on Developmental Disabilities, for administrative purposes.

The Committee was created by Act 81, Session Laws of Hawaii 1986. However, there was an omission in the law as it did not designate the Committee's placement within the State system or address the need for staff.

Testimony in support of the measure was received from the State Planning Council on Developmental Disabilities, the State Reproductive Rights Committee, the State Commission on Persons with Disabilities, and the DOH.

Your Committee has adopted the recommendation of the Reproductive Rights Committee to change the name of the Committee to Reproductive Rights Protection Committee.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 513, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 513, HD 2.

Signed by all members of the Committee.

SCRep. 628 **Finance on H.B. No. 601**

The purpose of this bill is to streamline the process in the filing of court documents in circuit court by revising the filing fee schedule pursuant to Section 607-5, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Judiciary and the Hawaii State Bar Association.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 601, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 601, HD 2.

Signed by all members of the Committee.

SCRep. 629 Finance on H.B. No. 602

The purpose of this bill is to:

- (1) Increase from one to four, the number of positions which may be classified and paid in salary ranges SC-1, SC-2, and SC-3 by the Judiciary; and
- (2) Allow the Judiciary to use the salary ranges SC-1, SC-2, and SC-3 for physicians and psychiatrists positions.

Your Committee received testimony in support of this measure from the Judiciary of the State of Hawaii. This testimony indicated that while the executive branch and the counties are respectively allotted sixteen and eight "supergrade salary" positions in the SC-1, SC-2, and SC-3 ranges, the Judiciary is allotted only one such position. The testimony further indicated that this bill would help to provide equity in terms of fiscal and human resources between the Judiciary and other entities of state and county government.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 602, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 602, HD 2.

Signed by all members of the Committee.

SCRep. 630 Finance on H.B. No. 665

The purpose of this bill is to appropriate funds to establish a permanent professional position to administer the registration of condominium projects and limited-equity cooperatives, the processing of public reports, and the implementation of "sales to owner-occupant provisions" under chapter 514A, Hawaii Revised Statutes. This bill also appropriates funds for office equipment for the new permanent position.

The position will aid in expediting the new condominium project review process which has become increasingly complex due to new disclosure laws, court decisions, liability concerns, and numerous other factors.

The Hawaii Real Estate Commission, the Hawaii State Bar Association, Land Use Research Foundation of Hawaii, the Hawaii Developers' Council, and the Building Industry Association of Hawaii testified in strong support of this measure.

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. 665, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 665, HD 1.

Signed by all members of the Committee.

SCRep. 631 Finance on H.B. No. 804

The purpose of this bill is to require the transferor and transferee of a liquor license to present to the issuing agency a signed tax clearance certificate from the Director of Taxation and the Internal Revenue Service (IRS) in order for a liquor license to be issued to the transferee.

This measure restores language deleted by Act 171, Session Laws of Hawaii 1990. By restoring this language, this measure would ensure that any delinquent taxes, penalties, or interest payments owed to the state or federal governments are paid before the transfer of a liquor license. In addition, potential abuse among marginal operators of liquor establishments would be prevented.

Representatives of the Department of Taxation, the IRS, and the Tax Foundation of Hawaii submitted testimony on this measure.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 804, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 804, HD 1.

Signed by all members of the Committee.

SCRep. 632 Finance on H.B. No. 1007

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

Your Committee received testimony from the Department of the Attorney General indicating that since this measure was first introduced, the sum of \$1,856.44 for interest at the rate of four percent per annum from September 1, 1990 to and including April 30, 1991 has been added to the claim listed as Hardy v. State of Hawaii Department of Taxation, et al. Furthermore, an additional case, Smith v. Uohara, et al., has been settled, and the Department recommended payment of this additional claim in the amount of \$75,000.

Accordingly, your Committee has amended this bill by:

- (1) Including the recommendations from the Department of the Attorney General;
- (2) Providing the reasons why and the amount and rate by which the appropriations contained in this bill exceed the State spending limit for fiscal year 1990-1991; and
- (3) Making other 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. 1007, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1007, HD 2.

Signed by all members of the Committee.

SCRep. 633 Finance on H.B. No. 982

The purpose of this bill is to authorize the University of Hawaii (UH) and the Department of Education (DOE) to approve the assignment of moneys 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 UH and the DOE are now responsible for their own purchasing and disbursing functions. This bill will authorize the chief financial officers of the UH and the DOE to perform these functions.

Testimony in support of this measure was submitted by the DOE and the UH.

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. 982, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 982, HD 1.

Signed by all members of the Committee.

SCRep. 634 Finance on H.B. No. 1553

The purpose of this bill is to appropriate funds to establish an individual artist fellowship program to recognize and honor Hawaii's exceptionally talented visual and performing artists for their outstanding work and commitment.

This bill also designates the qualifying standards for participation in the fellowship program as well as the duties of the State Foundation on Culture and the Arts in implementing the standards.

Testimony in support of this measure was received from the Department of Accounting and General Services.

Your Committee has amended this bill by deleting the qualifying standard requiring fellowship recipients to be twenty-one years of age or older.

Your Committee has further amended this bill by appropriating the sum of \$25,000 for fiscal year 1991-1992.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1553, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1553, HD 2.

Signed by all members of the Committee.

SCRep. 635 Tourism on H.B. No. 216

The purpose of this bill is to require the Department of Business, Economic Development, and Tourism to develop a five-year tourism marketing plan on a roll-out basis, rather than the two-year plan currently required under Section 203-5, Hawaii Revised Statutes. The bill also requires that any contracts between the Office of Tourism and the Hawaii Visitors Bureau extend no longer than the remainder of the fiscal biennium, and that the five-year marketing plan shall be updated annually and submitted to the Legislature, separate from the executive budget request.

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

Your Committee finds that the development of five-year tourism plans on a rollout basis, i.e. updated annually, would enable the State and the visitor industry to more wisely allocate their limited resources.

Your Committee amended the purpose section of the bill by redefining new tourism markets as the eastern United States and Canada, Australia and New Zealand, Europe, and the Pacific Basin. Your Committee also amended the bill by replacing the term "rollout" with a clearer description of the annually-updated five-year tourism plan.

It is the intent of your Committee that the first two years of the plan should be prepared in detail, but that the following three years would necessarily be briefer, and that the revised plan should be submitted with the executive budget request in budget years, but may be submitted separately during non-budget years.

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

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 216, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 636 Tourism on H.B. No. 214

The purpose of this bill is to amend the Hawaii Revised Statutes to allow the Department of Business, Economic Development, and Tourism to disburse tourism promotion funds without prior submission of proposals to the Hawaii Tourism Marketing Advisory Council.

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, and Outrigger Hotels.

Your Committee finds that this bill would streamline the operations of the Office of Tourism in the Department of Business, Economic Development, and Tourism, and better enable the Tourism Office to carry out its marketing and promotion oversight functions.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 214 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 637 Agriculture on H.B. No. 791

The purpose of this bill is to amend Section 26-16, Hawaii Revised Statutes, to repeal the requirement for the Department of Agriculture (DOA) to conduct annual complaint hearings on Oahu, Maui, Hawaii, Kauai, and Molokai. It also corrects all references to the "Chairman" in the section to the neutral gender "Chairperson."

Testimony from the DOA indicated that the mandated formal complaints hearings on the five major islands are unnecessary because:

- (1) The DOA has found the agricultural community and the public are more responsive at informal meetings. Furthermore, because of the urgent nature of their needs and problems, farmers prefer to write, telephone, or present their complaints in person; and
- (2) The DOA, under its new policy, is holding public informational briefings on the neighboring islands at least once a year to inform the public about its activities and receive questions and comments. In addition, the Board of Agriculture holds meetings on the neighboring islands to offer additional opportunities for public discussion and involvement.

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

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 791, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 638 Agriculture on H.B. No. 793

The purpose of this bill is to simplify the laws relating to exports of flowers and foliage by amending the Grades and Standards chapter to repeal in entirety the authority for:

- (1) The Advisory Committee on Flowers and Foliage; and

- (2) The licensing of commercial exporters of flowers and foliage.

Testimony from the Department of Agriculture (DOA) indicated that:

- (1) The requirements of the Administrative Rules Procedure chapter provide opportunities for all segments of the industry and other interested parties to review and comment on new rules and rule changes, making the advisory committee's work redundant; and
- (2) The current licensing process is mainly used to identify the commercial flowers and foliage exporters. But the Plant Quarantine Branch of the DOA and the Plant Health Inspection Service of the United States Department of Agriculture can readily provide this information, and repealing the licensing process will eliminate unnecessary work without impairing the DOA's ability to enforce the export requirements for flowers and foliage.

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

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 793, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 639 Agriculture on H.B. No. 2052

The purpose of this bill is to require the Department of Agriculture (DOA) to sponsor a pilot program wherein farmers qualifying for agricultural park leases would agree to follow cultivation and use guidelines to be developed by the DOA.

This bill would:

- (1) Establish a pilot project within one of the three agricultural parks located in Waianae, Kahuku, and Waimanalo to study and develop guidelines for the most beneficial crops or uses of the agricultural parks lands;
- (2) Award leases giving first preference to applicants who agree in writing to abide by the guidelines; and
- (3) Require the DOA to evaluate the pilot project and submit annual reports to the legislature.

Your Committee received testimony from the DOA in support of this measure.

Your Committee urges that the DOA work in conjunction with the College of Tropical Agriculture and Human Resources and the Hawaii Farm Bureau Federation to develop the pilot project and guidelines.

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

- (1) Inserted the termination date of the pilot demonstration project; and
- (2) 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. 2052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2052, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 640 Agriculture on H.B. No. 795

The purpose of this bill is to extend the Hawaii Meat Inspection Law, Act 139, Session Laws of Hawaii 1990, beyond its expiration date of June 30, 1991. The short expiration date was inserted by the conference committee to ascertain the nature and scope of the exotic meat inspection program before making long-term commitments to the program.

Your Committee finds that Act 139 contained approximately 31 amendments to the Hawaii Meat Inspection program including provisions to raise the meat inspection program to the standards of the Federal Meat Inspection Act.

Testimony from the DOA indicated that the failure to repeal the expiration date would:

- (1) Prevent the development of a fledgling exotic meat agricultural industry and deny the public the enjoyment of eating inspected exotic meat from axis deer, rabbit, and American bison;
- (2) Deprive those seeking custom slaughter of their own animals in a controlled sanitary slaughtering environment; and
- (3) Prevent the State from meeting the requirements of the federal meat inspection law.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 795 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 641 Agriculture on H.B. No. 1952

The purpose of this bill is to amend the land use control statutes to:

- (1) Permit accessory agricultural uses on lands classified as agricultural land even when direct agricultural uses (such as the cultivation of crops or pasturing of livestock) are not conducted on the same premise (tax map key parcel); and
- (2) Add vehicle and equipment storage areas to the list of permitted accessory uses within the agricultural district.

Testimony from the Department of Agriculture, the Office of State Planning, and representatives from the North and South Kohala district and the law offices of Roehrig, Roehrig, Wilson, Hara, Schuttee and Silva indicated that:

- (1) Urban development in the Districts of North and South Kohala is causing certain agricultural activities to be curtailed by the county;
- (2) Small farmers and ranchers are suffering because under the enabling land use law bona fide agricultural activities not on the permissible list are considered "accessory" rather than "direct" agricultural uses and are prohibited in agricultural districts. To comply with the law, these farmers and ranchers are required to apply for special permits to continue their normal accessory agricultural activities; and
- (3) The process for obtaining special permits is costly, time consuming, and frustrating when the County Planning Commission makes narrow interpretations of the enabling law.

Some testimony suggested it may be prudent to let the land use control powers granted to the counties function to resolve the issue, but upon further discussion, your Committee concluded that it would be better to standardize and control the interpretations by modifying the enabling land use control law.

Upon further consideration, your Committee has amended this bill to:

- (1) Insure that permitted accessory uses shall be bona fide agricultural uses and activities and are in support of the agricultural activities of the land owner or lessee;
- (2) Narrow the type of dwellings permitted to farm dwellings and employee housing;
- (3) Permit, but not mandate, the counties to further define accessory agricultural uses by ordinances; and
- (4) Permit clustering of farm dwellings within agricultural parks developed by the State.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1952, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 642 Human Services on H.B. No. 1958

The purpose of this bill is to amend Section 5 of Act 307, Session Laws of Hawaii 1990, by authorizing the Department of Human Services to provide grants from the emergency loan program to homeless citizens.

The Department of Human Services testified that an effective homeless program should provide both loans and grants because while a loan program may supply an appropriate response to the needs of the homeless who generate an income, other homeless citizens may experience great difficulty in repaying the loans and find that grants are the only reasonable form of assistance available to them.

The testimony of Homeless Aloha, Inc., supported the contention of the Department of Human Services and added that a grant program would furnish the Department needed flexibility in providing immediate and essential assistance to Hawaii's homeless population.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1958 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 643 Human Services on H.B. No. 997

The purpose of this bill is to repeal Part IX of chapter 346, Hawaii Revised Statutes titled "Workfare" and also known as the Project Success Program. The repeal would be effective October 1, 1991.

Your Committee received testimony from the Department of Human Services strongly in support of this bill because it is proposed that the purpose of the Project Success Program, a state funded program, will be served by the JOBS Program which has federal matching funds and therefore is more cost effective. The JOBS Program is Part XI of chapter 346, Hawaii Revised Statutes.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 997 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 644 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 1035

The purpose of this bill is to amend Section 279A-7 of the Hawaii Revised Statutes to clarify the advisory role of the Statewide Transportation Council.

Your Committees find that the role of the Statewide Transportation Council is to assist and advise the State Department of Transportation. However, Section 279A-7 makes the Council's role ambiguous by assigning to the Council the responsibilities of transportation planning and approving transportation projects for submission to the Legislature. These responsibilities, as currently set forth in Section 279A-7, encompass more than advisory duties.

Your Committees received testimony supporting the intent of this measure from the Department of Transportation.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1035 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 645 Transportation on H.B. No. 4

The purpose of this bill, as received, is to amend the definition of ridesharing programs to include informal arrangements in which three or more persons ride together for three or more days a week.

Your Committee finds that traffic congestion in the State is worsening and that steps must be taken to encourage the use of car pools and other such forms of ridesharing. Your Committee also finds that easing requirements on ridesharing programs would enhance the success of these programs by attracting a larger pool of potential car poolers.

Your Committee received testimony supporting the intent of this measure from the Department of Transportation, City and County of Honolulu, and the Leeward Oahu Transportation Management Association (LOTMA).

Your Committee has amended this bill by modifying the definition of ridesharing programs to allow informal arrangements in which two or more persons ride together in a motor vehicle.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 4, HD 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 646 Water, Land Use and Hawaiian Affairs on H.B. No. 1134

The purpose of this bill is to foster public awareness and appreciation of Hawaii's indigenous species of cultivated land plants and encourage their propagation. This bill requires the use of indigenous plants, where feasible, in the landscaping of public buildings, facilities, and housing projects developed by the State.

Your Committee finds that the continued existence of Hawaii's indigenous plants depends on affirmative State actions which enhance the prospects these plants have for survival. One way to accomplish this is by increasing public awareness of these plants in the landscaping of public facilities.

The Department of Land and Natural Resources (DLNR) and the Sierra Club testified in support of this bill. DLNR's concern was that the use of indigenous plants for landscaping purposes be moderated to discourage the removal of wild indigenous plants. Accordingly, it recommended that the bill be amended to emphasize the use of cultivated indigenous plants. DLNR also suggested that the use of indigenous plants be limited to the island where the plants originated in the wild in order to decrease potential hybridization between the cultivated plants and the wild plants.

Your Committee has amended this bill to incorporate DLNR's concerns. Specifically, your Committee has:

- (1) Inserted the word "cultivated" on page 2, lines 3, 9, and 19 and on page 3, line 1 of the amended bill;

- (2) Inserted the language, beginning on page 3, line 2 of the amended bill, as follows: "when such cultivated plants are available without jeopardizing wild plants. To the extent possible, the use of indigenous plants for landscaping purposes shall be limited to the islands where the plants originated.";
- (3) Rephrased the language directing DLNR to adopt rules on page 3, lines 5 - 8 of the amended bill; and
- (4) Made technical, nonsubstantive amendments to the bill for the 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. 1134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1134, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 647 Energy and Environmental Protection on H.B. No. 903

The purpose of this bill is to amend Section 196-3, Hawaii Revised Statutes, to reflect the name change of the department responsible for the duties of the Energy Resources Coordinator.

Section 196-3, Hawaii Revised Statutes, refers to the Energy Resources Coordinator as being the Director of Planning and Economic Development. This bill makes the necessary revision to reflect the correct title of the department as being Business, Economic Development, and Tourism.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 903 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 648 Energy and Environmental Protection on H.B. No. 1817 (Majority)

The purpose of this bill is to amend Section 128D-14, Hawaii Revised Statutes, to obtain greater participation of the public in the implementation of the Environmental Response Law.

Public participation activities relative to the Environmental Response Law may be implemented by the Department of Health (Department) in accordance with the State contingency plan or any other State rule. This bill would also permit the Department to encourage such participation.

Your Committee heard testimonies to the effect that this bill should be revised to include other amendments to Chapter 128D, Hawaii Revised Statutes, but has decided that amending this bill is unnecessary at this time.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1817 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 649 Higher Education and the Arts on H.B. No. 275

The purpose of this bill is to clarify that a person serving as a commissioner for the Western Interstate Commission on Higher Education shall not be deemed as holding a public office.

Your Committee finds that there is a question as to whether a Hawaii legislator may serve on the Western Interstate Commission on Higher Education while holding his or her public office. This bill would eliminate the questions arising in this situation. Several other states have legislators who serve as commission members and this has been found to be beneficial.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 275 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 650 Planning and Economic Development and Intergovernmental Relations and International Affairs on H.B. No. 894 (Majority)

The purpose of this bill is to dissolve the State Plan Policy Council and to establish a statewide planning system to coordinate and guide all major state and county activities and to implement the overall theme, goals, objectives, policies and priority guidelines.

Your Committees find that there is agreement among Policy Council members and the Office of State Planning that the State Plan Policy Council does not function as currently mandated and has become unwieldy. For example:

- (1) The Council is mandated to be advisory to the Legislature while in practice its composition and work has been primarily administration-related;
- (2) The Council provides only part time oversight of the State Plan through participation in quarterly Policy Council meetings, while the pace and amount of the work entailed in the oversight of the State Plan calls for full-time oversight; and
- (3) The requirement to conduct comprehensive reviews and amendments of the State Plan to be flexible to changing conditions in a dynamic fashion.

The bill also proposes to transfer the responsibility of preparing functional plan guidelines from the Office of State Planning to the Department of Budget and Finance, so as to better institutionalize the link between planning and budgeting. It incorporates planning in the statewide planning system, while strengthening the role of State functional plans as guides for resource allocations decisions and implementation. Your Committees further note, however, that budget recommendations made by Budget and Finance should reflect the functional plan recommendations as developed by the various functional plan advisory committees.

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

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. 894, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 894, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 651 Planning and Economic Development on H.B. No. 51

The purpose of this bill, as received, 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 an increased supply of low or moderate income housing be a condition of redevelopment.

Your Committee amended the bill to allow the HCDA to retain its authority to accept affordable housing constructed outside of the HCDA's jurisdiction to satisfy a developer's affordable housing requirement.

Your Committee further amended the bill by deleting the statutory provision requiring residents of varying incomes, ages, and family groups to be housed in each building. Your Committee feels that the most feasible and permanent basis for affordable housing is in "building by building" rather than "unit by unit" within one building.

Your Committee finds that the emphasis for this type of affordable housing project should be focused in the Kakaako area. However, the HCDA should retain the flexibility to utilize more favorable opportunities to expand affordable housing elsewhere, should those opportunities arise. The HCDA assured the Committee and the testifiers present at the hearing that the current developers have been fulfilling the affordable housing requirement entirely within the district, and that all such future affordable housing requirements can be fulfilled within the district. Affordable housing advocates also stressed, and your Committee agrees, that HCDA should continue to implement the affordable housing requirement on land which is in or next to the district.

Your Committee agrees that residential development must ensure a mixture in accordance with urban design guidelines, and that affordable housing must be a requirement for redevelopment.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 51, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 51, HD 1.

Signed by all members of the Committee.

SCRep. 652 Energy and Environmental Protection on H.B. No. 858

The purpose of this bill, as received from the Committee on Intergovernmental Relations and International Affairs, is to encourage recycling by having counties enact ordinances to require recycling opportunities and systems in the project designs of multistory residential and commercial buildings, remodeled buildings, and hotels.

Your Committee finds that the lack of storage spaces for various types of recyclable materials deters occupants of multistory buildings from becoming involved in recycling programs at the present time. Your Committee agrees that this lack of participation would be remedied if building permits issued by the counties required provisions for the storage of recyclable materials in their designs.

Your Committee has amended this bill by removing the reference to remodeled buildings, since it did not want to create difficulties for the counties as they attempted to determine the nature and extent of remodeling which would require the inclusion of designs for the storage of recyclable materials. Testimony from the Land Use Research Foundation of Hawaii indicated that this bill as written left uncertainty as to the effect of interior alteration by one tenant on required redesign of the entire structure.

Your Committee also amended this bill by rewording the requirement for size of storage space as follows: Provisions for the storage of recyclable materials shall be of reasonable size as determined by the counties. It was felt that the mandatory size stated in the bill would hamper the counties as they negotiated design plans for building permits.

Your Committee has made other technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 858, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 858, HD 2.

Signed by all members of the Committee except Representative Bunda.

SCRep. 653 Intergovernmental Relations and International Affairs on H.B. No. 101

The purpose of this bill is to require the counties to adopt ordinances to allow the construction of portable housing in high risk areas as determined by federal, state, or county agencies.

Your Committee finds that this measure would greatly benefit current and future homeowners in high risk areas especially those on the island of Hawaii -- an area that is vulnerable to natural disasters and has experienced the greatest loss from natural disasters.

By allowing portable housing in high risk areas your Committee hopes that more people living in these areas will be able to obtain affordable property insurance for their homes. Portable housing is defined in the bill as structures capable of being transported within 48 hours.

Although the Hawaii County Economic Opportunity Council supported the intent of this measure, the Hawaii County Planning Department expressed reservations about the manner in which the high risk areas would be designated.

Upon further consideration, your Committee has amended this measure to allow the counties to regulate portable housing and define high risk area; provided that the County of Hawaii adopt ordinances and rules to determine the high risk areas in which the portable housing may be built based on the United States Geological Survey's Volcanic Hazard Zone Map designations for the island of Hawaii. This would allow the counties more flexibility in setting boundaries for high risk areas and provide the County of Hawaii with a basis for determining such areas on that island.

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. 101, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 101, HD 2.

Signed by all members of the Committee.

SCRep. 654 Finance on H.B. No. 938

The purpose of this bill is to improve the grants, subsidies, and purchases of services provisions by:

- (1) Streamlining the process of the purchase of services (POS) contracts by placing the POS provisions under the public money and contracts provisions of Chapter 103, Hawaii Revised Statutes (HRS);
- (2) Creating a new chapter for grants and subsidies; and
- (3) Removing the authority of the Legislature to consider and fund requests for purchases of service which are not included in the budgets submitted by the Executive and Judicial branches.

Your Committee finds that appropriations to private organizations, authorized under Chapter 42, HRS, have been increasing significantly. Between fiscal years 1984-85 and 1989-90, appropriations for grants, subsidies, and purchases of service grew 281 percent, from \$17.8 million to \$67.8 million.

Your Committee further finds that a major factor in the rapid increase in Chapter 42 appropriations has been legislative supplements to the budgets requested by the Executive and Judicial branches. For example, in fiscal year 1987-88, the Legislature added 13 percent, or \$4.9 million, while in fiscal year 1989-90, it added 37 percent, or \$18.3 million.

As stated in the 1989 report entitled, "Evaluation of Hawaii's Grants-in-aid, Subsidies, and Purchases of Service Program" by the Legislative Auditor, this rapid growth in Chapter 42 requests and appropriations raises a major concern over the departments' ability to manage additional responsibilities effectively.

Your Committee agrees on the need for effective decision making and accountability, especially in terms of making the most efficient use of available resources to address identified needs.

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

However, private organizations presented testimony stressing the significance of retaining the Legislature's existing role in the Chapter 42 process. In general, these organizations underscored the importance of maintaining the Legislature's ability to provide a timely response to community needs and act as a safety valve for errors which occur within the system.

Your Committee believes that effective management of the Chapter 42 process is crucial, and that greater responsibility for the review and recommendation of Chapter 42 funding should be placed on the Executive and Judicial branches. Nevertheless, your Committee concurs that the Legislature should retain some authority to be able to address the concerns raised by the many provider organizations. In order to incorporate both of these goals, your Committee has amended this bill in its entirety to establish a new chapter on grants, subsidies, and purchases of service and to repeal the existing Chapter 42.

Specifically, the bill in its amended form shifts the focus of decision making to emphasize the importance of applying resources to assessed needs. Under this measure, the state agencies would first identify and assess needs for services, then evaluate the most appropriate service delivery system. If the agency determines that the services can be better addressed through a private provider, the agency would submit a recommended budget as part of its program budget (for inclusion in the Executive or Judiciary budget). Upon appropriation of funds, the State agencies would then advertise for proposals.

While all purchase of service requests would be required to follow this process, requests for grants and subsidies which are not included in the budget request could be submitted directly to the Legislature for consideration.

To further address the concerns expressed by private organizations that a comprehensive and collaborative approach be taken in reforming the current process, your Committee has amended this bill to establish an advisory council to assist decision makers in identifying community specific priorities in terms of basic services, funding recommendations and new or expanded services.

Finally, your Committee has amended the bill to incorporate the provisions of H.B. No. 1056 to authorize State agencies to extend existing grant, subsidy, or purchase of service contracts from a current fiscal biennium into the first three months of the subsequent fiscal year or biennium, provided certain conditions are met.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 938, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 655 Finance on H.B. No. 1060

The purpose of this bill is to amend the provisions relating to the State Council on Revenues (Council) by:

- (1) Changing the revenue estimate reporting dates of the Council from June 1, September 10, January 10, and March 15 to the third Wednesday in October, March, and July;
- (2) Requiring the Council to meet at least once a month;
- (3) Transferring the Council from the Department of Taxation to the Department of Budget and Finance for administrative purposes; and
- (4) Providing that members of the Council be compensated at the rate of \$100 per day for each day's actual attendance at meetings.

In addition, the bill appropriates \$25,000 for each year of the fiscal biennium to cover costs incurred by the Council.

Testimony in support of this measure was submitted by the Department of Budget and Finance. Testimony was also received from the Department of Taxation, the Tax Foundation of Hawaii, and from the chairperson of the State Council on Revenues in his individual capacity.

Upon further consideration, your Committee has amended the bill by:

- (1) Deleting the provision compensating the Council members at the rate of \$100 per day for each day's actual attendance at meetings;
- (2) Changing the March reporting date to the first Wednesday in February;
- (3) Deleting the appropriation for each year of the fiscal biennium; and

- (4) Making other 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. 1060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1060, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 656 Finance on H.B. No. 1275

The purpose of this bill is to authorize the Department of Budget and Finance to issue refunding special purpose revenue bonds to assist the continued provision of residential and health care services to the elderly at the Pohai Nani Good Samaritan Kauhale in Kaneohe, Oahu.

Your Committee received testimony in support of this measure from the Evangelical Lutheran Good Samaritan Society.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1275 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 657 Finance on H.B. No. 838

The purpose of this bill is to implement the findings and recommendations of the Legislative Auditor with regard to the special and revolving funds administered by the Department of Budget and Finance, the Department of Accounting and General Services, and the Department of Agriculture.

Your Committee received testimony from the Department of Budget and Finance, the Department of Accounting and General Services, and the Department of Agriculture in opposition to implementing all of the recommendations of the Legislative Auditor.

Accordingly, your Committee has amended this bill by:

- (1) Retaining only the language repealing the State telecommunications site and equipment maintenance revolving fund;
- (2) Deleting the requirement that the Director of Finance submit an annual report to the Legislature on the scope of activities; and
- (3) Making other technical, nonsubstantive amendments to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 838, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 658 Finance on H.B. No. 375

The purpose of this bill is to amend statutory provisions regarding the Hawaii State Coordinating Council on Deafness as follows:

- (1) Provides that there will be seven council members who are representatives of state or county agencies;
- (2) Replaces all references to hearing impaired individuals with "deaf, hard-of-hearing, or deaf-blind persons";
- (3) Allows two of the seven council members from the public to be certified or locally screened interpreters;
- (4) Prohibits the hiring of interpreters who serve as voting council members from interpreting at council meetings; and
- (5) Provides for the council's payments of interpreter services for deaf, hard-of-hearing, or deaf-blind persons participating in programs and activities of tax-exempt organizations qualified under section 501(c)(3) of the Internal Revenue Code of 1986.

Testimony in support of the intent of this measure was submitted by the Commission on Persons with Disabilities and the Hawaii State Coordinating Council on Deafness.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 375, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 659 Finance on H.B. No. 2119

The purpose of this bill is to appropriate \$75,000 to create the Community Health and Human Services Corporation in the Office of State Planning to plan, coordinate, and oversee health and human services programs in the Kalihi-Palama community.

The corporation would:

- (1) Plan and develop new programs and services;
- (2) Oversee existing programs and services;
- (3) Assist agencies and organizations, public and private, to avoid duplication and fragmentation of services;
- (4) Coordinate services for maximum benefit; and
- (5) Develop other sources of funds to improve services.

Testimony was submitted by the Office of State Planning.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2119, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 660 Finance on H.B. No. 2117

The purpose of this bill is to appropriate an undisclosed amount to fund a telecommunication project using the state information network and HAWAII FYI for the disabled population, in particular the physically and sensory impaired, to provide equal access to government and information services.

Testimony in support of this measure was submitted by the Hawaii Information Network Corporation, the Hawaii Speech-Language-Hearing Association, and a concerned citizen.

Your Committee has amended this measure by:

- (1) Appropriating \$75,000 for the telecommunication project;
- (2) Clarifying that the expending agency is the Department of Budget and Finance; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2117, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 661 Consumer Protection and Commerce on H.B. No. 918

The purpose of this bill is to amend Section 286-108, Hawaii Revised Statutes, to allow driver license applicants to be tested in any county, regardless of where they reside in the State. The bill also allows applicants to produce either a valid no-fault or liability insurance identification card as part of the examination, and further provides that every licensee shall be required to possess either a valid no-fault or liability insurance identification card when operating a motor vehicle. The bill also corrects archaic language and incorrect insurance law chapter numbers contained in Section 286-108 and 286-116, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 918, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 662 Consumer Protection and Commerce 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.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 825 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 663 Consumer Protection and Commerce 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 (HRS). This bill replaces references to Section 431-318, HRS, which was repealed in 1987, with references to Section 431:7-202, HRS.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1003 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 664 Consumer Protection and Commerce on H.B. No. 999

The purpose of this bill is to amend the Workers' Compensation (WC) law to require all insurers to maintain a complete local claims office or engage an independent claims adjusting service as their claims agent in this State with draft authority to enable claimants to obtain their benefits under the WC law with a minimum of delay.

Your Committee received favorable testimony from the Department of Labor and Industrial Relations and the Hawaii Insurers Council.

Under present statutes, insurance carriers and self-insured employers are not required to have local offices with draft authority and therefore, the Department has had consistent difficulty enforcing the timely payment of WC benefits by out-of-state insurers. This places an undue burden on a claimant who depends on such benefits during periods of temporary total disability. A viable solution is to require insurers to maintain a complete local claims office or engage an independent claims adjusting service as their claims agent with draft authority to issue benefit payments in a timely manner.

Your Committee has made a technical, non-substantive amendment to this bill for the purpose of style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 999, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 999, HD 2.

Signed by all members of the Committee.

SCRep. 665 Consumer Protection and Commerce on H.B. No. 662

The purpose of this bill is to create a new article in the Hawaii Revised Statutes, as part of the Uniform Commercial Code, relating to electronic funds transfers.

The Hawaii Commission to Promote Uniform Legislation testified in support of the bill. This bill is the result of several years of work by the Uniform Law Commissioners and the Hawaii Commission to Promote Uniform Legislation. It will provide a comprehensive body of law on the rights and obligations connected with electronic funds transfers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 662 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 666 Consumer Protection and Commerce on H.B. No. 823

The purpose of this administration bill is to amend section 487-5(5), Hawaii Revised Statutes, to clarify the Office of Consumer Protection's authority to promulgate substantive and procedural rules.

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

Currently, section 487-5(5) authorizes the Office of Consumer Protection to promulgate certain rules. Although intended to provide the authority to promulgate substantive rules, the current language leaves that authority open to question.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 823, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 667 Consumer Protection and Commerce on H.B. No. 114

The purposes of this bill are to amend Section 514A-11(11), Hawaii Revised Statutes (HRS), to require that seventy-five percent of the owners of a condominium approve any amendment to the declaration of the condominium, and to amend Section 514A-82.2(d), HRS, regarding recordation of the restated declaration, to delete the proviso that in the event of any conflict between the restated declaration and the original declaration, the restated declaration shall be subordinate to the original declaration.

Your Committee heard testimony from the Real Estate Commission and the Hawaii State Bar Association in support of the amendment to Section 514A-11(11), HRS, and in opposition to the amendment to Section 514A-82.2(d), HRS.

This bill would allow condominium associations to change their declarations by the agreement of seventy-five percent of the owners. The wording of the existing statute means that associations might have to garner more than a seventy-five percent agreement to amend their declarations if their existing by-laws or declaration so provides. Your Committee was informed that a seventy-five percent requirement is difficult enough to obtain and anything more is often impossible. The effect of the existing law is that the original declaration, which may fail to anticipate changing circumstances or be impractical as to day-to-day governance of a condominium, would be impossible to amend.

Your Committee has amended this bill to provide that condominium projects having five or fewer apartments may require the agreement of more than seventy-five percent of the apartment owners to amend the declaration, based on testimony that such a provision would be fairer to these small projects.

Your Committee also amended this bill to specify that the percentages of agreement necessary to amend a declaration apply to condominium projects existing as of the effective date of this Act, as well as to condominium projects created thereafter.

Further, the amendment to Section 514A-82.2(d), HRS, found in Section 2 of the bill, was deleted as being unnecessary.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 114, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 668 Consumer Protection and Commerce on H.B. No. 1327

The purpose of this bill is to amend Section 521-74, Hawaii Revised Statutes, a section of the Residential Landlord-Tenant Code relating to retaliatory evictions. The bill provided that tenants who successfully defend against an attempted retaliatory eviction could recover damages, costs and attorney's fees resulting therefrom. The existing statute allows only tenants who have been dispossessed of the dwelling unit to obtain a recovery. The bill further imposed a limit of one year in which the landlord would be prohibited from taking action to remove the tenant if the tenant had requested repairs, or filed a complaint with the Department of Health in good faith.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, the Hawaii Association of Realtors, and Koolau Agricultural Company, Ltd. All expressed concern regarding the one-year, non-removal of tenant provision of the bill.

Accordingly, your Committee has amended this bill to delete the portion of the bill prohibiting the landlord from removing the tenant for one year after the specified actions. Other technical, non-substantive amendments were made to clarify any ambiguity in the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1327, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 669 Consumer Protection and Commerce on H.B. No. 832

The purposes of this bill are to provide the Division of Financial Institutions of the Department of Commerce and Consumer Affairs with the legal authority to hire an international banking specialist, to permit the Deputy Commissioner to act in the Commissioner of Financial Institutions' absence, and to clarify the title of the Commissioner.

The Department of Commerce and Consumer Affairs testified in support of the bill, which clarifies certain provisions relating to the operations of the Division of Financial Institutions. The international banking specialist for the Division was approved by the 1990 Legislature. This bill gives the Division the legal authority to hire a person for the position.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 832 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 670 Consumer Protection and Commerce on H.B. No. 661

The purpose of the bill is to create a new article in the Hawaii Revised Statutes, as part of the Uniform Commercial Code governing the leases of goods.

The Department of Accounting and General Services and the Hawaii Commission to Promote Uniform Legislation testified in support of this bill. This bill is the result of several years of work by the Hawaii Commission to Promote Uniform Legislation and the Uniform Law Commissioners.

This bill will add Article 2A to the Uniform Commercial Code. Article 2A is largely derived from the sales article of the Code, Article 2. The provisions of this bill contain basic contract rules to govern leases of goods, including matters of offer and acceptance, statute of frauds, warranties, assignments of interest, and remedies upon breach of contract. The bill is a comprehensive set of rules dealing with every phase of leasing transactions and clarifies previous questions of security interests. This bill applies only to the leases of goods, and does not apply to real property leases.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 661 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 671 Consumer Protection and Commerce on H.B. No. 933

The purpose of this bill, as received by your Committee, is to amend Chapter 466J, Hawaii Revised Statutes, by deleting a section providing licensure authority for the Department of Health and by clarifying inconsistencies. The bill eliminates dual authority for licensure in the Department of Health and the State Board of Radiologic Technologists.

Testimony received from the Department of Health and the Board of Radiologic Technologists indicate that the authority for licensing the practice of radiologic technology should remain with the Board of Radiologic Technologists because the Board members are intimately familiar with the requirements of the profession.

Your Committee made amendments to clarify selection of the chairperson and the licensing powers of the board. Your Committee also made technical and nonsubstantive changes to this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 933, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 672 Consumer Protection and Commerce on H.B. No. 1995

The purpose of this bill is to remove the requirement that the Board of Naturopathy only recognizes schools which have been accredited by the Council of Naturopathic Medical Education (CNME) beyond January 1, 1990.

The current statute identifies the educational qualifications that applicants applying for registration in naturopathy must have and specifically states that the educational institutions must be accredited by the CNME.

The Vice Chairman of the State Board of Naturopathy testified in support of this bill, to remove the reference to the CNME for accreditation purposes. If this provision is not deleted it may prevent qualified graduates of schools not accredited by the CNME from qualifying for licensure.

Other regional or professional accreditation bodies will ensure high standards and quality of the schools to which they grant full accreditation standards, and the Board may rely on these bodies when carrying out their regulatory responsibilities of licensing naturopaths.

The bill also clarifies that the Board may accept a graduate of a school of naturopathy which received candidate status from either a regional or professional accrediting body recognized by the United States Department of Education.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1995 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 673 Consumer Protection and Commerce on H.B. No. 1772

The purpose of this bill is to amend Chapter 460J-19, Hawaii Revised Statutes, by clarifying certain provisions regarding written inspection reports by pest control operators.

Your Committee heard testimony from the Pest Control Board and the Hawaii Pest Control Association. The Board expressed concern that the bill would eliminate the requirement for a written inspection report. Accordingly, your Committee has amended this bill to address the Board's concern while clarifying that a written inspection report will be a PC-9 form prescribed by the Board.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1772, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 674 Consumer Protection and Commerce on H.B. No. 62

The purpose of this bill as received by your Committee is to re-enact Chapter 462A, Hawaii Revised Statutes, to continue the licensing of port pilots.

The Department of Commerce and Consumer Affairs (DCCA) testified in favor of this bill, citing the 1990 sunset evaluation report by the Legislative Auditor on pilotage recommending that Chapter 462A be re-enacted. The DCCA acknowledged that the Auditor's report specified that some improvements in the regulation of port pilots are needed and that the DCCA will be working to achieve these improvements.

Testimony by the Department of Transportation, the Chamber of Commerce, and the Hawaii Pilots Association was also heard in support of this bill.

Your Committee amended the bill, as suggested by DCCA, to exempt the pilotage requirements for tugboats and towboats. This category was exempted because these pilots traverse the harbor waters frequently and are extremely knowledgeable about local conditions. The amendment does not negate the Department of Transportation's responsibility for the safety of all ports in the State.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 62, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 62, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 675 Consumer Protection and Commerce on H.B. No. 666

The purpose of this bill is to improve the financial solvency and planning of apartment owners associations by requiring them to prepare budgets and establish reserves for future expenses.

Your Committee heard supporting testimony from the Real Estate Commission, the Hawaii State Bar Association, Hawaii Council of Associations of Apartment Owners, the Blue Ribbon Panel, the Hawaii Association of Realtors, and Alii Ohana Property Management, Inc.

Many of Hawaii's condominium projects have insufficient reserves to fund major capital expenditures or deferred maintenance which will inevitably be required to maintain the physical structures and equipment of those projects. This innovative bill mandates that reserves be maintained through assessments over a period of time. Your Committee was informed that there have been numerous instances where reserves were not kept or were inadequate, necessitating substantial assessments, running into many thousands of dollars. Requiring projects to maintain reserves will ensure that all condominium owners over a period of time will pay for their fair share of the upkeep of their projects. Only Florida and California have similar legislation.

Specifically, the bill requires:

- (1) The association to adopt a budget;
- (2) The budget to state the association's existing reserves;
- (3) The association to compute and state how much the association should have in reserves; and
- (4) The association to assess owners and establish the proper amount of reserves.

Two temporary exceptions to mandatory funding of reserves are allowed pursuant to this bill. Existing projects which lack reserves are allowed five years to fully fund their reserves. New projects which have not yet started to deteriorate are given until the next fiscal year to begin collection. It is expected that the Real Estate Commission will adopt rules to implement and enforce the provisions of this bill. The effective date of this bill is January 1, 1993 to provide adequate time for rules to be promulgated.

Your Committee amended this bill, as recommended by the Real Estate Commission, to reflect actual budgeting procedures. In addition, the associations themselves, as well as the members, were granted immunity from liability if a good faith effort is made to calculate the required reserves.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 666, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 676 Consumer Protection and Commerce on H.B. No. 822

The purpose of this administration bill is to amend Section 485-18.7, Hawaii Revised Statutes, in order to strengthen the enforcement tools for securities violations and fraud.

Testimony was presented by the Department of Commerce and Consumer Affairs (DCCA).

Under the current Uniform Securities Act (Modified), a preliminary order to cease and desist is issued when the Securities Commissioner has just cause to believe that a violation of the Act has occurred or is about to occur. Upon the issuance of a preliminary order to cease and desist, a respondent must cease all securities activities. However, a respondent has the right to request an administrative contested case hearing on the merits of the preliminary order to cease and desist. After the hearing, a final order is issued.

As part of the preliminary order to cease and desist, the Commissioner has the discretion to order sanctions against the offending party. The sanctions have included the assessment of a fine and orders of rescission. During 1990, the authority of the Commissioner to include an assessment of a fine in an order to cease and desist was challenged and the Circuit Court of the First Circuit ruled that the Commissioner was without authority to impose a fine under Hawaii Revised Statutes, Section 485-18.7, as presently written. The authority to order rescission has not been ruled on by the Circuit Court, although the Commissioner has deemed that the discretion to determine the disposition of a contract includes the authority to order rescission.

This bill would authorize the Commissioner to order payment of a fine and order rescission through the issuance of a final order to cease and desist. The respondent would still have the right to request an administrative contested case hearing on the preliminary order to cease and desist and the determination of appropriate sanctions would be an issue to be decided through the contested case proceeding. No sanction would be imposed without notice and an opportunity to be heard on the sanctions.

Section 2 of this bill proposes to amend the per annum interest rate to which a defrauded investor is entitled in addition to his or her principal investment. This rate has not been increased since the adoption of the Uniform Securities Act (Modified) thirty-three years ago. The proposed ten percent rate is based on Sections 478-2 and 478-3, Hawaii Revised Statutes, regarding the legal rate of interest in the absence of an express written contract and the rate of interest on judgments.

The bill also clarifies that the Commissioner may recover civil penalties for securities violations for each violation.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 822, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 677 Consumer Protection and Commerce on H.B. No. 1115

The purpose of the bill is to repeal Chapter 408A, which was used to create and establish the Thrift Guaranty Corporation of Hawaii.

The Department of Commerce and Consumer Affairs testified in support of the bill. There is no longer a need for the continued existence of the Thrift Guaranty Corporation of Hawaii. The organization is in the process of winding down its affairs and the passage of this measure will assist in that effort.

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

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

Signed by all members of the Committee.

SCRep. 678 Finance on H.B. No. 1539 (Majority)

The purpose of this bill is to:

- (1) Establish an Employment and Training Fund to assist employers and workers through innovative programs to improve the long-term employability of Hawaii's people;

- (2) Amend Hawaii's Employment Security Law to provide temporary tax relief for employers who make contributions to the state unemployment compensation fund;
- (3) Provide a more equitable contribution system designed to create an adequate reserve fund to meet benefit costs but prevent an overaccumulation of moneys; and
- (4) Provide benefit adjustments for unemployed workers to restore lost purchasing power.

Your Committee received testimony supporting the intent of this measure from the Department of Labor and Industrial Relations and the ILWU Local 142.

The National Federation of Independent Business and the Chamber of Commerce submitted testimony supporting the provisions reducing the taxable wage base for calendar year 1991 and opposing the other sections of the measure.

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

- (1) Providing that employers will be assessed for the Employment and Training Fund for the calendar year of 1992 only; and
- (2) 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. 1539, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1539, HD 2.

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

SCRep. 679 Finance 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 programs.

Your Committee received testimony from DLNR, DOT, and the Department of Public Safety.

The bill was amended to correct certain typographic, technical, and stylistic errors; no substantive changes were made. Among these amendments were the following:

- (1) Inserted a new definitions section to Chapter 200;
- (2) Deleted references to effective dates in the text that serve no useful purpose;
- (3) Deleted specific penalty language for a misdemeanor; and
- (4) Amended Sections 266-27 (e) and 662-15, Hawaii Revised Statutes (HRS), to delete references to provisions of the HRS that are being repealed by this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 917, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 917, HD 2.

Signed by all members of the Committee.

SCRep. 680 Finance on H.B. No. 608

The purpose of this bill is to:

- (1) Clarify provisions of Act 188, Session Laws of Hawaii 1988, relating to administrative revocation of drivers' licenses; and
- (2) Provide funding for implementation of the license revocation process.

Your Committee received testimony supporting the intent of this measure from the Judiciary; the Department of the Attorney General; the Department of Transportation; the Department of the Prosecuting Attorney, the Police Department, and the Department of Finance of the City and County of Honolulu; the Police Department of the County of Maui; the Office of the Prosecuting Attorney of the County of Kauai; the Police Department of the County of Kauai; the Police Department of the County of Hawaii; the Oahu Traffic Safety Council, the American Civil Liberties Union of Hawaii; Mothers Against Drunk Driving; and the Hawaii Medical Association.

Upon further consideration, this measure has been amended as follows:

- (1) Creates the Administrative Revocation Revolving Fund to be placed under the Judiciary in which all fees, fines, and other moneys will be deposited;

- (2) Amends the definition of "ignition interlock system" to reduce the blood alcohol concentration threshold at which an ignition interlock system prevents operation of an automobile from .10 to .03;
- (3) Reestablishes probable cause as the burden of proof in cases where a person suspected of driving under the influence of intoxicating liquor refuses to submit to a chemical test for blood alcohol concentration;
- (4) Reestablishes a one-year revocation period for drivers who refuse to submit to a chemical test;
- (5) Makes drivers who refuse a chemical test ineligible for conditional permits;
- (6) Requires drivers whose license is administratively revoked to post proof of financial responsibility before obtaining a new license;
- (7) Provides that alcohol enforcement contacts that occurred before July 1, 1991, be counted in determining the administrative revocation period;
- (8) Appropriates \$1,308,464 for fiscal year 1991-1992 and \$1,111,588 for fiscal year 1992-1993 to implement the provisions of Act 188, Session Laws of Hawaii 1990; and
- (9) Makes technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 608, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 608, HD 2.

Signed by all members of the Committee.

SCRep. 681 Finance on H.B. No. 954

The purpose of this bill is to establish a comprehensive Integrated Solid Waste Management Plan to be developed by the Department of Health. This Plan would focus on:

- (1) The establishment of a county-specific integrated solid waste planning process;
- (2) The establishment of solid waste and source reduction goals for the State;
- (3) The identification of state agency responsibilities;
- (4) A coordinated and dedicated public awareness and education program; and
- (5) The mandate for state agency participation in office paper reduction programs and goals.

In addition, this measure establishes the Office of Solid Waste Management within the Department of Health to better facilitate the implementation of this Plan.

This measure would also require the Department of Business, Economic Development, and Tourism to work with the Office of Solid Waste Management to coordinate State efforts to develop markets for recycled materials.

Testimony in support of this bill was received from the Department of Health, the Department of Business, Economic Development, and Tourism, the University of Hawaii, the City and County of Honolulu, the Recycling Association of Hawaii, the Hawaii Medical Association, and other groups.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 954, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 954, HD 2.

Signed by all members of the Committee.

SCRep. 682 Finance on H.B. No. 865

The purpose of this bill is to appropriate funds to provide low-interest land, home construction, and mortgage loans of up to \$35,000 to residents who have been dispossessed of their homes as a result of volcanic eruptions which began on January 3, 1983 on the Big Island.

The Department of Land and Natural Resources is in support of this measure, but noted that the Housing Finance and Development Corporation should be the administering as well as the expending agency.

Your Committee has amended this measure by:

- (1) Designating the Housing Finance and Development Corporation as the administering agency; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 865, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 865, HD 2.

Signed by all members of the Committee.

SCRep. 683 **Finance on H.B. No. 675**

The purpose of this bill is to expand the income splitting provisions relating to general excise taxes generated by "tourism related services".

Specifically, this measure would allow one or more travel agencies or tour packagers and the providers of tourism related services and operators of transient accommodations to report their respective portion of gross income received for tourism related services and accommodations.

The Department of Taxation (Department) in testimony submitted noted that:

- (1) The proposed revisions to subsection 237-18(f) to include transient accommodations furnished at noncommissioned negotiated contract rates were not necessary, since subsection 237-18(g) allows this type of receipt splitting; and
- (2) The change from singular references of the terms "travel agencies" and "tour packagers" to plural references in subsection 237-18(f) is not necessary since statutory construction provisions specify that singular references include the plural.

In addition, the Department proposed revisions to clarify the definition of "tourism related services" to include lei greetings, transportation included in a tour package, admissions to luaus, dinner shows and other services rendered to the customer or tourist directly.

Upon further consideration, your Committee has amended the measure accordingly. Other technical, nonsubstantive revisions have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 675, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 675, HD 1.

Signed by all members of the Committee.

SCRep. 684 **Finance on H.B. No. 607**

The purpose of this bill is to:

- (1) Establish the Hawaii Judicial Foresight Commission to examine innovative court structuring and investigate and formulate new rules and policies of the court; and
- (2) Establish a Penal Code Revision Advisory Committee to conduct a comprehensive review of the Hawaii Penal Code.

Your Committee received testimony on this measure from the Department of Public Safety and the Judiciary.

Upon further consideration, the following amendments have been made to this measure:

- (1) Provided that the appropriated sum be expended by the Judiciary for the purposes of continued discussion;
- (2) Amended the effective date to take effect upon approval; provided that the appropriation section take effect on July 1, 1991;
- (3) Placed the Hawaii Judicial Foresight Commission in a new chapter in the Hawaii Revised Statutes;
- (4) Clarified that the Penal Code Revision Advisory Committee will be administratively placed in the Judiciary and will be a temporary committee to cease operation six months after it submits its report to the Legislature;
- (5) Clarified that the Penal Code Revision Advisory Committee submit its report to the Legislature at least 20 days before the convening of the regular session of 1993; and
- (6) Made other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 607, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 607, HD 2.

Signed by all members of the Committee.

SCRep. 685 **Finance on H.B. No. 776**

The purpose of this bill is to:

- (1) Allow trade and other exhibitors to apply for temporary permits to sell liquor at a discount at trade exhibitions and other shows; and
- (2) Appropriate \$1 for the planning of an international wine conference to bolster Hawaii's economy and support a diversified tourism industry.

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

Upon further consideration, your Committee has amended the bill by:

- (1) Appropriating \$10,000 for the planning of an international wine conference upon the condition that none of these funds shall be made available unless matched dollar-for-dollar by private contributions; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 776, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 776, HD 3.

Signed by all members of the Committee.

SCRep. 686 Finance 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.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Department of Health, the University of Hawaii's College of Tropical Agriculture and Human Resources, the Hawaii Society of American Foresters, and Chalon International of Hawaii, Inc.

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

- (1) Replacing the appropriation of \$250,000 with \$50,000 for each fiscal year of the biennium; and
- (2) Making 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. 1699, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1699, HD 2.

Signed by all members of the Committee.

SCRep. 687 Finance on H.B. No. 1382

The purpose of this bill is to appropriate funds to continue and refine the School Inspection Program created by Act 369, Session Laws of Hawaii 1989.

Your Committee received favorable testimony from the Department of Education.

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. 1382, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1382, HD 2.

Signed by all members of the Committee.

SCRep. 688 Finance 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.

Testimony was submitted by the Queen's Medical Center and a concerned individual in support of this measure.

A representative of the Wilcox Memorial Hospital requested that this bill be amended to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$20,000,000 to enable the Wilcox Memorial Hospital to acquire the Kauai Medical Group Building, to refinance short-term bond equipment purchases, to construct a parking facility and expand ancillary and support space, and to renovate the emergency room and purchase imaging and diagnostic equipment.

Your Committee has amended this measure by:

- (1) Incorporating the proposal made by Wilcox Memorial Hospital; and
- (2) Making other 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. 1685, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1685, HD 1.

Signed by all members of the Committee.

SCRep. 689 Finance on H.B. No. 264

The purpose of this bill is to increase Medicaid's private provider reimbursement rate from the current rate of fifty-six percent of customary fees to sixty-five percent of customary fees.

The Department of Human Services, the Commission on Persons with Disabilities, the Hawaii Medical Association, the Hawaii Dental Association, the Hawaii Public Health Association, and the Hawaii Federation of Physicians & Dentists testified in support of the measure.

Your Committee has amended the bill by:

- (1) Changing the appropriation sum from \$4,759,349 to \$2,595,152 for the 1991-1992 fiscal year;
- (2) Changing the increase of the Medicaid private provider reimbursement rate from sixty-five percent to sixty percent; and
- (3) 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. 264, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 264, HD 2.

Signed by all members of the Committee.

SCRep. 690 Finance on H.B. No. 928

The purpose of this bill is to prevent the improper disposal of lead acid battery electrolyte fluid and to ensure the proper management and disposal of used lead acid batteries.

Your Committee received supporting testimony from the Department of Health, the Department of Public Works of the City and County of Honolulu, the Hawaii Automotive & Retail Gasoline Dealers Association, and the Recycling Association of Hawaii.

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

- (1) Granting the Director of Health the discretion to enforce Section 342I-4, Hawaii Revised Statutes, which deals with wholesalers of lead acid batteries; and
- (2) Making 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. 928, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 928, HD 2.

Signed by all members of the Committee.

SCRep. 691 Finance on H.B. No. 1086

The purpose of this bill is to stimulate business development and growth in diversified agriculture on the Island of Molokai by appropriating \$250,000 for each year of the fiscal biennium 1991-93.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and Alu Like.

Your Committee has amended this bill to designate the Molokai Business Opportunities Revolving Loan Program as the recipient of the appropriation to conform with the title of this bill. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

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

Signed by all members of the Committee.

SCRep. 692 Finance on H.B. No. 1697

The purpose of this bill is to protect and preserve Hawaii's scenic beauty, and native plants and animals by establishing a Natural Area Partnership Grant Program in the Department of Land and Natural Resources. The program will provide \$2 as matching State funds for each \$1 that the private sector provides for the management of private lands that are dedicated to conservation.

The Department of Land and Natural Resources and the Natural Resources Defense Council, Inc. testified in support of the measure. Your Committee also received testimony from The Nature Conservancy of Hawaii and the Hawaii Society of American Foresters.

Your Committee has amended this bill as follows:

- (1) Changed the appropriation sum of \$1,750,000 for each fiscal year of the 1991-1993 biennium to \$250,000 for the 1991-1992 fiscal year and to \$250,000 for the 1992-1993 fiscal year; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1697, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1697, HD 2.

Signed by all members of the Committee.

SCRep. 693 Finance on H.B. No. 1061

The purpose of this bill is to enhance appreciation for Hawaii's unique cultural, ecological, and recreational resources by establishing the 'Aina Hoomalu State parks program.

This program will consist of parks with unique and significant natural or cultural history or features, and shall provide a variety of cultural, recreational, ecological, and educational activities for park visitors.

This bill also establishes a State Parks Advisory Council to:

- (1) Identify a priority list of park sites to be included in the State parks system;
- (2) Devise budget recommendations for upkeep, improvements, and programs for each park; and
- (3) Submit annual reports on the State parks system to the Legislature.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Hawaii'i Chapter of the Sierra Club, and several private citizens.

The testimony indicated that identification and development of activities for the 'Aina Hoomalu State parks program would not be possible without funding for additional staff services.

Upon further consideration, your Committee has amended the bill by:

- (1) Establishing the Aina Hoomalu special fund;
- (2) Repealing Section 184-4, Hawaii Revised Statutes, relating to State park income; and
- (3) Making 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. 1061, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1061, HD 2.

Signed by all members of the Committee.

SCRep. 694 Finance 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 the Kauai Electric Division of Citizens Utilities Company.

This project will benefit the residents of Kauai by displacing oil-fired generation supplied by Kauai Electric. Additionally, it will further:

- (1) The State's goal of energy self-sufficiency;
- (2) Kauai Electric's policy of encouraging alternate energy resource projects on Kauai; and
- (3) Reduce Hawaii's dependence on petroleum-based imports.

Favorable testimony was received from the Department of Business, Economic Development, and Tourism; the County of Kauai's Office of Economic Development; the Kauai Electric Division of Citizens Utilities Company; Olokele Sugar Company, Limited; and the ILWU Local 42.

Your Committee has amended this bill by:

- (1) Designating June 30, 1994, as the lapse date; and
- (2) Making 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. 2049, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2049, HD 1.

Signed by all members of the Committee.

SCRep. 695 **Finance on H.B. No. 1720**

The purpose of this bill is to provide an additional retirement plan for coaches at the University of Hawaii.

This bill would allow the University to purchase for its employees a deferred compensation annuity contract providing a nationwide retirement trust for a group of college coaches.

Your Committee has amended this bill to clarify that the plan being authorized, while not a Section 401(k) plan, qualifies for the same deferred compensation arrangements available to qualified Section 401(k) plans. Technical, nonsubstantive amendments have also been made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1720, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1720, HD 2.

Signed by all members of the Committee.

SCRep. 696 **Finance on H.B. No. 816**

The purpose of this bill is to permit the State Comptroller to deposit moneys received from the settlement of claims or losses of the State into the State Risk Management Revolving Fund.

Currently, moneys from the settlement of claims or for losses of the State revert to the general fund.

Favorable testimony was received from the Department of Accounting and General Services.

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. 816, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 816, HD 1.

Signed by all members of the Committee.

SCRep. 697 **Finance on H.B. No. 397**

The purpose of this bill is to:

- (1) Appropriate \$500,000 in fiscal year 1991-1992 and \$1 in fiscal year 1992-1993 to the City and County of Honolulu to identify and determine the feasibility of utilizing environmentally-sound alternatives to the construction of an ocean outfall on Oahu's North Shore for the disposal of wastewater; and
- (2) Authorize the issuance of general obligation bonds in the amount of \$1 for the acquisition of land for the construction and operation of a wastewater reclamation work project on the North Shore of Oahu to reclaim wastewater generated.

Your Committee received supporting testimony from the City and County of Honolulu's Department of Public Works.

The following amendments have been made to this measure:

- (1) Deleted the \$1 appropriation for fiscal year 1992-1993;
- (2) Replaced the phrase "wastewater reclamation work" with the phrase "wastewater reclamation work project"; and
- (3) Made technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 397, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 397, HD 2.

Signed by all members of the Committee.

SCRep. 698 Finance on H.B. No. 895

The purpose of this bill is to create a mechanism that 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.

Your Committee received testimony from the following organizations: the Department of Hawaiian Home Lands, the Office of State Planning, the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation on behalf of the Aged Hawaiians, and the State Council of Hawaiian Homestead Association.

This bill has been amended in the following manner:

- (1) Reduced the appropriation amount from \$300,000 to \$200,000;
- (2) Clarified the effective date of this bill so that: (a) the appropriation section would take effect on July 1, 1991; and (b) on July 1, 1999, the amendments to Section 103-3, Hawaii Revised Statutes, would be repealed and the section reenacted in the form in which it read on the day before the approval of this bill. This second amendment is needed to be consistent with the repeal date of the proposed new chapter; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 895, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 895, HD 2.

Signed by all members of the Committee.

SCRep. 699 Finance on H.B. No. 1542

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue revenue bonds to finance the purchase of the Queen Emma Gardens Apartments (project) should the City and County of Honolulu (City) fail in its efforts to acquire the project. The bond issuance is contingent on the City relinquishing its reversionary interest in the property.

Presently, the City is seeking a declaratory ruling from the First Circuit Court of the State of Hawaii regarding certain interpretations of the Queen Emma Urban Renewal Plan as they relate to possible condemnation action and the price at which the City would be able to purchase the project from its current owners. The ruling is expected within three to four months. If the Court rules in the City's favor, the City administration will seek approval from the City Council to set aside funds to purchase the project through condemnation.

However, should the Court rule against the City, this bill will provide the means for the HFDC to acquire the funds to purchase the project.

Testimony in support of this bill was received from the Queen Emma Gardens Tenants' Association. Your Committee also received testimony from the HFDC and the City.

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

- (1) Inserting the sum of \$1 for the authorized amount of the revenue bonds that can be issued for purposes of continued discussion; and
- (2) Making 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. 1542, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1542, HD 2.

Signed by all members of the Committee.

SCRep. 700 Finance on H.B. No. 1564

The purpose of this bill is to strengthen Hawaii's capability to study the living and geological resources of the 200-mile Hawaiian Exclusive Economic Zone by appropriating funds for the purchase of essential equipment.

Specifically, this bill appropriates \$1 each for purchase of:

- (1) A conducting cable and winch to allow for the use of remotely-operated vehicles on the ocean floor; and
- (2) A long baseline navigation system.

Testimony in support of this bill was received from Hawaii's U.S. Senatorial delegation; the University of Hawaii's Hawaii Undersea Research Laboratory; the Hawaiian Dredging and Construction Company; the Makai Ocean Engineering, Inc.; Edward K. Noda and Associates; and the Natural Energy Laboratory of Hawaii Authority.

Your Committee has amended this bill to provide \$350,000 for the purchase of the cable and winch and \$150,000 for the purchase of the long baseline navigation system.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1564, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1564, HD 2.

Signed by all members of the Committee.

SCRep. 701 Finance 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 the Kauai Electric Division of Citizens Utilities Company (Kauai Electric).

In the last five years, Kauai Electric's customer load has grown over thirty-six percent. As a result of this significant increase, Kauai Electric has been required to expand its system in order to meet the needs of its customers. Issuing special purpose revenue bonds for Kauai Electric's multi-project capital improvement programs will decrease costs to the utility company which will be reflected in lower rates paid by all consumers.

Favorable testimony was received from the Department of Business, Economic Development, and Tourism and Kauai Electric.

Your Committee has amended this measure by making 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. 249, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 249, HD 2.

Signed by all members of the Committee.

SCRep. 702 Finance 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.

Testimony was submitted by the Commission on the Status of Women, the Democratic Party of Hawaii, the Oahu County Committee of the Democratic Party of Hawaii, the Tax Foundation of Hawaii, and the Hawaii Women's Political Caucus.

Upon further consideration, this measure has been amended by:

- (1) Removing the limitation that political contributions by any individual taxpayer be in an aggregate amount not to exceed \$500 in any year;
- (2) Amending the effective date to apply to taxable years beginning after December 31, 1990; and
- (3) Making other 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. 1512, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1512, HD 1.

Signed by all members of the Committee.

SCRep. 703 Finance on H.B. No. 1557

The purpose of this bill is to establish a marine and coastal affairs program within the Office of State Planning to facilitate the coordinated and cooperative planning among state, county, and federal governments.

Testimony in support of this measure was received from the Governor's Office of State Planning (OSP), the Department of Business, Economic Development, and Tourism, the Department of Parks and Recreation of the City and County of Honolulu, the University of Hawaii, the Department of Parks and Recreation of the County of Hawaii, and the Sea Life Park Marine Research and Education Foundation. Testimony was also received from the Hawaii Association of Realtors and other concerned citizens.

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

- (1) Clarifying that the deputy director of the marine and coastal affairs program will assist in developing the Hawaii Ocean Center as a network of ocean-related programs and centers throughout the State;
- (2) Deleting section -5(10) as unnecessary, since section -5(1)(B) assigns the deputy director of marine and coastal affairs the responsibility to improve marine and coastal resource data bases;

- (3) Clarifying in section -6(b) that the deputy director of marine and coastal affairs shall serve as chair of the Advisory council for marine and coastal affairs and not the Director of the Office of State Planning;
- (4) Clarifying in section -6(b) that the formation of technical and scientific advisory committees be optional depending upon the areas of interest to the advisory council;
- (5) Specifying in section -6(c) that the advisory council provide advice on the marine and coastal affairs program rather than on all Office of State Planning functions;
- (6) Modifying section 4 to include alternatives or options to the establishment of a proposed department of marine and coastal affairs, since provisions in the bill do not mandate the establishment of such a department;
- (7) Appropriating the sum of \$200,000 for each year of the fiscal biennium 1991-1993; and
- (8) Making other 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. 1557, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1557, HD 2.

Signed by all members of the Committee.

SCRep. 704 Finance on H.B. No. 45

The purpose of this bill is to provide benefit rate adjustments effective January 1, 1991, and every ten years thereafter, to permanently totally disabled workers who are receiving weekly compensation benefits based on previous rates established under the Workers' Compensation Law.

In addition, this bill also requires that requests for reimbursements be filed annually with the Department of Labor and Industrial Relations (DLIR) by January 31 of the subsequent calendar year and authorizes the Director of DLIR to disapprove requests that are not filed properly or in a timely manner.

The DLIR, the Hawaii Insurers Council, the Hawaii Independent Insurance Agents Association, and the ILWU Local 42 testified on this measure.

Based on the recommendations of the DLIR, your Committee has amended the bill by changing "January 1, 1991" to "January 1, 1992" throughout the bill to conform the bill to the effective date.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 45, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 45, HD 2.

Signed by all members of the Committee.

SCRep. 705 Finance on H.B. No. 2045

The purpose of this bill is to appropriate funds to increase public access to international, national, and local information resources to promote international and information literacy among citizens of Hawaii through technological and other means.

Specifically, the bill makes the following appropriations:

- (1) \$358,142 for fiscal year 1991-1992 and \$233,315 for fiscal year 1992-1993 to develop hypermedia software for foreign language instruction;
- (2) \$2,220,271 for fiscal year 1991-1992 and \$1,991,044 for fiscal year 1992-1993 to develop an international electronic bulletin board;
- (3) \$115,000 for fiscal year 1991-1992 to facilitate public access between the State legislature and the county governments;
- (4) \$25,000 for fiscal year 1991-1992 to link the U.S. Senate congressional information service to Hawaii's information network on a pilot basis; and
- (5) \$125,000 for fiscal year 1991-1992 to hold a youth conference on Hawaii's international role to demonstrate the potential of telecommunications for bridging barriers between nations and to examine ways to prepare Hawaii's youth to make use of Hawaii's growing telecommunications infrastructure to raise Hawaii's international visibility.

Testimony in support of this bill was submitted by the Department of Education, the University of Hawaii, the County of Hawaii, the Pacific and Asian Affairs Council, the High Technology Development Corporation, the Hawaii Association of School Librarians, and concerned individuals.

Your Committee has amended this bill by inserting the figure of \$1 in each appropriation section for the purposes of continued discussion. Technical, nonsubstantive changes have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2045, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2045, HD 2.

Signed by all members of the Committee.

SCRep. 706 Finance on H.B. No. 270

The purpose of this bill is to appropriate \$350,000 to conduct a statewide household hazardous waste collection project.

Your Committee received testimony in support of this measure from the Department of Health, the County of Maui's Department of Public Works, the Hawaii Food Industry Association, and the Recycling Association of Hawaii.

Your Committee has amended this bill by appropriating the sum of \$175,000.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 270, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 270, HD 1.

Signed by all members of the Committee.

SCRep. 707 Finance on H.B. No. 640

The purpose of this bill is to authorize the issuance of \$10,000,000 in 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 in Kauai.

Favorable testimony was received from the Department of Business, Economic Development, and Tourism; the County of Kauai's Office of Economic Development; the Kauai Electric Division of Citizens Utilities Company; and the Island Power Company.

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. 640, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 640, HD 1.

Signed by all members of the Committee.

SCRep. 708 Finance on H.B. No. 907

The purpose of this bill is to authorize the Department of Business, Economic Development, and Tourism (Department) to transfer moneys, as the need arises, among the following business loan revolving funds: The Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Fund; the Hawaii Small Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund; the Hawaii Capital Loan Revolving Fund; and the Hawaii Innovation Development Fund.

Your Committee received testimony in support of this measure from the Department and the High Technology Development Corporation, which indicated that further appropriations from the general fund would not be needed by the business loan programs if the transfer authority is granted.

Upon further consideration, your Committee has amended the bill by:

- (1) Providing that the authority to transfer moneys between the business loan revolving funds shall be repealed on July 1, 1993;
- (2) Clarifying that on July 1, 1993, Sections 189-23, 189-43, 210-3, and 211E-2, Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day before the approval of the Act; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 907, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 907, HD 1.

Signed by all members of the Committee.

SCRep. 709 Finance on H.B. No. 544

The purpose of this bill is to authorize the continuance of the "Operation Nightingale" program for four more years to enable a greater number of nursing school graduates to pass the written nursing licensing examinations.

This bill also appropriates monies for the continuation of the program.

Your Committee received testimony in support of the bill from the Department of Health (DOH) and a former registered nurse.

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

- (1) Deleting language that directs the DOH to design and operate courses pertaining to the written examination requirement of the Commission on Graduates of Foreign Nursing Schools;
- (2) Deleting the appropriations; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 544, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 544, HD 2.

Signed by all members of the Committee.

SCRep. 710 Finance on H.B. No. 1398

The purpose of this bill is 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.

Testimony was received from the Department of Education in support of the measure.

Your Committee has amended this bill to appropriate the sums of \$250,000 for fiscal year 1991-1992 and \$375,000 for fiscal year 1992-1993.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1398, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1398, HD 2.

Signed by all members of the Committee.

SCRep. 711 Finance on H.B. No. 1509

The purpose of this bill is to allow the counties to:

- (1) Enact by ordinance, community facilities districts (districts) to finance special improvements and maintenance or to provide services within the county;
- (2) Levy a special tax on property located within a district to finance special improvements, maintenance, or services, and to pay debt service on any bonds issued to finance special improvements; and
- (3) Issue and sell bonds to provide funds for the special improvements.

Testimony in support of this measure was received from the County of Hawaii, the Business Development Council of the Chamber of Commerce of Hawaii, the Land Use Research Foundation of Hawaii, the Estate of James Campbell, the Hawaii Island Economic Development Board, and the Big Island Business Council. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee has amended this measure by making 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. 1509, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1509, HD 1.

Signed by all members of the Committee.

SCRep. 712 Finance 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 ensure that moneys received from the sale of meals total not less than thirty percent of the total operating cost of the school lunch program.

Historically, school lunch prices have not been adjusted on a regular basis to meet the rising cost of food, labor, utilities, repair and maintenance, equipment and other operational costs. This bill will allow the Superintendent to administratively set the lunch price to generate enough funds equal to roughly one-third of the total budget.

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. 1757, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1757, HD 1.

Signed by all members of the Committee.

SCRep. 713 Finance on H.B. No. 992

The purpose of this bill is to:

- (1) Extend the Personal Care Services Program an additional four years to 1995; and
- (2) Adjust the expenditure ceiling on the Personal Care Services Program, limiting total expenditures to not more than the amount authorized by the federal Health Care Financing Administration.

The State Planning Council on Developmental Disabilities, the Commission on Persons With Disabilities, and an interested individual testified in support of the measure. Your Committee also received testimony from the Department of Human Services.

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

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

Signed by all members of the Committee.

SCRep. 714 Finance on H.B. No. 1881 (Majority)

The purpose of this bill is to establish an international flight training center to provide professional pilot education and training for the Pacific Basin.

The bill appropriates \$10,705 to fund three positions for fiscal year 1991-1992 and \$695,027 to fund six positions for fiscal year 1992-1993.

Favorable testimony was received from the Department of Transportation; the University of Hawaii; Honolulu Community College; Toyota Aviation, U.S.A., Inc.; United Airlines; Aloha Island Air; and Discovery Airways.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1881, HD 1, and recommends that it pass Third Reading.

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

SCRep. 715 Finance 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 in salary ranges APT 9 through APT 15.

Testimony in support of this measure was received from the University of Hawaii and the Hawaii Government Employees Association, Local 152.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2194, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 716 Finance on H.B. No. 981

The purpose of this bill is to authorize the University of Hawaii to establish a University of Hawaii Alumni Revolving Fund.

Favorable testimony was received from the University of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 981 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 717 Finance 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 develop industrial parks by entering into development agreements and to issue master leases to corporations

whose members or shareholders are eligible permittees of an industrial park for the purpose of issuing subleases. This bill also attempts to clarify the permissible activities of lessees within industrial parks.

Your Committee received supporting testimony from the Department of Land and Natural Resources.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1454, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 718 Finance on H.B. No. 2174

The purpose of this bill is to:

- (1) Replace preferential tax rates given to Hawaii insurance companies with a single insurance premium tax rate for all domestic and foreign insurers; and
- (2) Provide tax credits for eligible insurers who comply with certain requirements.

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 and non-life insurance policies.

The preferential rates are currently being challenged on constitutional grounds, and over \$90 million is in escrow until the litigation can be resolved.

This bill proposes to:

- (1) Tax all authorized insurers at the same rates: 3.2 percent for life insurance contracts, 4.3 percent for non-life insurance contracts, and 0.8775 percent on the gross underwriting profit of ocean marine insurance contracts; and
- (2) Allow tax credits to be claimed by any authorized insurer, with an annual gross premiums of at least \$250,000 received from all risks or property resident, situated, or located in Hawaii, that has a designated employee residing in Hawaii who is responsible for its insurance operations in the State; provided that the tax credit does not exceed 1.2 percent of the gross premiums in any year.

Your Committee received testimony from the Department of Taxation, the Hawaii Domestic Preference Insurance Legislative Group, and the Hawaii Domestic Insurers Tax Committee.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2174, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 719 Finance on H.B. No. 806

The purpose of this bill is to exempt from the general excise tax, the amounts received by an operator of a county transportation system from a political subdivision under an operating contract with a political subdivision, where the political subdivision is the owner of the county transportation system.

The Department of Taxation and the Department of Transportation Services of the City and County of Honolulu testified in support of the measure. Your Committee also received testimony from the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 806 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 720 Finance on H.B. No. 449

The purpose of this bill is to appropriate \$100,000 for the development of optimum growth scenarios to guide the future development of tourism.

The Department of Business, Economic Development, and Tourism; the Hawaii Hotel Association; and the Outrigger Hotels Hawaii submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 449, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 721 Finance on H.B. No. 1057

The purpose of this bill is to promote the efficient management of private activity bonds by providing greater flexibility in the management of the private activity bond volume cap by:

- (1) Allowing unused or unassigned authorizations to revert to the State; and
- (2) Requiring each county to submit a report in writing by December 15th of each year, documenting the amount of bonds allocated for private activity pursuant to Chapter 39B, Hawaii Revised Statutes.

The Department of Budget and Finance submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1057, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 722 Finance on H.B. No. 1955

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

Your Committee received testimony in support of this measure from the Department and the Board of Water Supply of the City and County of Honolulu.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1955 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 723 Finance on H.B. No. 1471

The purpose of this bill is to statutorily create within the Office of the Governor, an Office of International Relations which will serve as the Governor's principal resource for the overall analysis, formulation, coordination, and implementation of the State's policies and strategies relating to international matters.

Testimony in support of this measure was received from the current Director of the Office of International Relations.

Your Committee finds that a statutorily established Office of International Relations will:

- (1) Fulfill a need for a central office to focus the State's international efforts;
- (2) Raise the level of recognition of existing international programs; and
- (3) Establish new international paths and opportunities for Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1471, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 724 Finance on H.B. No. 333

The purpose of this bill is to authorize the issuance of \$1,000,000 in general obligation bonds for the establishment of a State funded agricultural park and the acquisition of the Campbell Industrial Feed Lot.

In January of this year, cattle producers were notified that the only feedlot on Oahu, operated by Hawaii Meat Company, would close its operations. The closure of the Hawaii Meat Company feedlot without a substitute facility could have a crippling effect on Oahu's livestock industry.

The Chairperson of the Board of Agriculture and the Director of the Office of State Planning submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 333, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 725 Finance on H.B. No. 455

The purpose of this bill is to allow the counties to increase the motor vehicle certificate of registration fee from \$1 to not more than \$2 to generate needed revenue for the counties to beautify their highways and to defray the costs associated with abandoned vehicle removal and disposal.

Testimony in support of the intent of this measure was submitted by the City and County of Honolulu, the County of Maui, and the County of Kauai.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 455 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 726 Finance on H.B. No. 808

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

Current 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 will 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 takes effect on the first day of the second month following the date of adoption of the resolution.

This measure provides that all county fuel tax changes shall take effect on the first day of the second month following the date of adoption of the resolution. Further, this measure provides that the City or County Council is required to notify DOTAX of any county fuel tax changes within ten days after the resolution is adopted.

Testimony was submitted by the DOTAX and the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 727 Finance on H.B. No. 1254

The purpose of this bill is to transfer the responsibility for an international tourism consulting center and clearinghouse from the Department of Business, Economic Development, and Tourism (DBED) to the Governor's Office of International Relations (OIR).

Testimony in support of this measure was received from the DBED, the OIR, the University of Hawaii's School of Travel Industry Management, and the Hawaii Hotel Association.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1254, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 728 Finance on H.B. No. 259

The purpose of this bill is to promote the State's international role in tourism by establishing an international tourism education institution in the University of Hawaii's School of Travel Industry Management.

This bill appropriates \$50,000 to the Department of Business, Economic Development, and Tourism (DBED) to accomplish the purposes of this bill. Your Committee received supporting testimony from DBED, the University of Hawaii's School of Travel Industry Management, and the Hawaii Hotel Association (HHA). HHA has agreed to support this effort with a minimum contribution of \$40,000.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 259, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 729 Finance on H.B. No. 1705

The purpose of this bill is to:

- (1) Appropriate funds for the provision of grants through the Hawaii Community-Based Development Revolving Fund (Fund) to assist small businesses and enterprises become self-sufficient and to encourage economic diversification; and

- (2) Allow the Department of Business, Economic Development, and Tourism to utilize all monies, not designated for a specific purpose, in the Fund for grants or loans, provided that sufficient monies are available for loans.

The Department of Business, Economic Development, and Tourism; the Office of Hawaiian Affairs; the Hawaii State Chapter of the National Rainbow Coalition, Inc.; Hoa'Aina'O Makaha of the Catholic Diocese of Hawaii; and many concerned residents and organizations from the Waianae Coast submitted testimony in strong support of this measure.

While finding that this particular program enhances the State's efforts to accelerate the development of local entrepreneurial resources, your Committee wishes to express its desire that the program recipients will become self-sufficient and financially independent of annual state support. Your Committee urges the recipients to utilize the opportunities provided by this program to obtain the necessary skills and expertise to secure private sources of financial assistance.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1705, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 730 Finance on H.B. No. 1999

The purpose of this bill is to:

- (1) Create an insurance fraud unit under the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA); and
- (2) Authorize the creation of an insurance fraud unit fund to compensate fraud unit investigators.

The DCCA testified in support of this measure. Testimony was also received from the Hawaii Insurers Council.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1999 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 731 Finance on H.B. No. 1349

The purpose of this bill is to establish within the Department of Labor and Industrial Relations a two-year volunteer coordination demonstration project in two selected school complexes.

The sum of \$100,000 is appropriated for the demonstration project's establishment. The demonstration project will coordinate volunteer activities for the participating school complexes and the surrounding complex communities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1349 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 732 Finance on H.B. No. 1022

The purpose of this bill is to increase the authorized ceiling for Department of Transportation special facility revenue bonds from \$50,000,000 to \$100,000,000 to acquire, construct, remodel, furnish, or equip any special facility for aeronautical purposes.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1022 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 733 Finance 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, which provides for teacher classification beyond the Class VI teachers' salary schedule.

Favorable testimony was received from the Department of Education and the Hawaii State Teachers Association.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1278, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 734 Finance on H.B. No. 1815

The purpose of this bill is to appropriate \$70,000 for fiscal year 1991-1992 to incorporate the information from 4,000 Environmental Assessments/Negative Declarations into the Hawaii Environmental Impact Statement Bibliographic Database, which is being developed by the Environmental Center of the University of Hawaii.

This measure will enable the State, the counties, consultants, and the general public to access information via personal computer regarding actions that may affect the environment.

Testimony in support of this measure was submitted by the State Office of Environmental Quality Control, the Environmental Center of the University of Hawaii, and the American Lung Association of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1815 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 735 Finance on H.B. No. 897

The purpose of this bill is to enhance the operation and maintenance of the Hawaii film facility by establishing a Hawaii Film Facility Special Fund within the State treasury.

According to the Department of Business, Economic Development, and Tourism, because film production activity is unpredictable from month to month, operational costs for electricity, telephone, water, and other overhead expenses can also fluctuate dramatically. For this reason, the day-to-day operations of the facility can be enhanced if fees can be utilized from the special fund for these purposes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 897 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 736 Finance on H.B. No. 889

The purpose of this bill is to assist in providing permanent funding for the development of family literacy programs across the State by establishing the Public-Private Partners for Literacy Trust Fund (Trust Fund).

Your Committee received testimony in strong support of this measure from the Office of Children and Youth (OCY), the Hawaii Credit Union League, and the Hawaii Community Foundation (Foundation).

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

- (1) Appropriating up to \$253,000 in matching funds, instead of \$1,000,000, to establish the trust fund; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 889, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 889, HD 1.

Signed by all members of the Committee.

SCRep. 737 Finance on H.B. No. 1517

The purpose of this bill is to transfer proportionately to the counties, the amount of public service company taxes paid in the corresponding county tax district, in excess of four percent. The transfer will provide the counties with revenues collected by the State under the public service company tax to offset unrealized real property revenues on real property owned or leased by a public utility located within the respective county jurisdictions.

Your Committee received considerable testimony in support of the intent of this measure. However, the Department of Taxation expressed opposition because of increased levels of funding to the counties for the last four years and a decrease in revenues being deposited into the State General Fund.

Your Committee has amended this measure by:

- (1) Specifying a \$1 cap on the revenues transferred to the counties in any fiscal year; and
- (2) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1517, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1517, HD 1.

Signed by all members of the Committee.

SCRep. 738 **Finance on H.B. No. 1453**

The purpose of this bill is to:

- (1) Establish the Emergency Marketing Revolving Fund to provide a stable source of funding to meet the needs of emergency or extraordinary situations that may affect tourism in the State; and
- (2) Appropriate \$6,000,000 for the fund for fiscal year 1991-1992.

The Department of Business, Economic Development, and Tourism, the Department of Taxation, the Hawaii Visitors Bureau, the Chamber of Commerce of Hawaii, the Hawaii Hotel Association, and Outrigger Hotels Hawaii testified on this bill.

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

- (1) Appropriated \$4,000,000 for fiscal year 1990-1991;
- (2) Added a new Section stating the reasons why and the amount and rate by which the appropriations contained in this bill exceed the State spending limit to comply with constitutional and statutory requirements;
- (3) Added a new paragraph to Section 1 relating to the Governor's recommendation for immediate passage of the appropriation contained in the bill;
- (4) Amended the effective date of this bill to provide that the appropriation provisions shall take effect upon their approval; and
- (5) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1453, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1453, HD 2.

Signed by all members of the Committee.

SCRep. 739 **Finance on H.B. No. 1059**

The purpose of this bill is to:

- (1) 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; and
- (2) Allow contributory plan (class A) members of the Employees' Retirement System, who elected to join the noncontributory plan (class C) and who subsequently became 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.

Favorable testimony was received from the Director of Budget and Finance.

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. 1059, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1059, HD 1.

Signed by all members of the Committee.

SCRep. 740 **Finance on H.B. No. 953**

The purpose of this bill is to:

- (1) Authorize the Department of Health to charge for treatment services provided by community mental health centers; and
- (2) Establish a special fund into which all revenues of each mental health and substance abuse program operated by the State is to be deposited.

The Department of Health, the Mental Health Association in Hawaii, the Mental Health Coalition, the State Advisory Council on Mental Health and Substance Abuse, and Arthur Andersen and Co. testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting provisions in Section 1 that statutorily establishes a Mental Health and Substance Abuse Special Fund; and authorizes the establishment of special accounts, within the special fund, for each mental health and substance abuse program operated by the State;
- (2) Retaining the authority of the Director of Health to take into consideration the financial circumstances of a patient and, specifically, not to make collections when such collections would severely impact on the patient or family; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 953, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 953, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 741 Finance on H.B. No. 937

The purpose of this bill is to allow the Department of Health (Department) to establish charges and collect fees for its services.

In supportive testimony submitted, the Department noted that at the present time, statutory authority that allows it to establish charges and collect fees varies or does not exist. The Department of Human Services also provided testimony in support of this measure.

A technical, nonsubstantive revision has been made to conform the statutory provision cited to the text of the Hawaii Revised Statutes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 937, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 937, HD 1.

Signed by all members of the Committee.

SCRep. 742 Finance on H.B. No. 1047

The purpose of this bill is to expand HAWAII INC's scope to include national and international businesses for the purpose of developing Hawaii's information industry and to enable HAWAII INC employees to receive the same benefits as other State employees.

Testimony in support of this measure was received from the Department of Budget and Finance.

Your Committee has amended the bill 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. 1047, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1047, HD 2.

Signed by all members of the Committee.

SCRep. 743 Finance on H.B. No. 1021

The purpose of this bill is to increase revenues for the State Highway Fund by:

- (1) Extending the transfer of the four percent general excise tax on fuel to the State Highway Fund through June 30, 1997;
- (2) Increasing the annual motor vehicle registration fee to \$23;
- (3) Increasing the vehicle weight tax; and
- (4) Implementing a rental motor vehicle surcharge of \$2.00 per day.

Testimony in support of the intent of this bill was received from the Department of Transportation and the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii, the Chamber of Commerce of Hawaii, and Budget Rent a Car Systems.

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

- (1) Deleting the extension of the transfer of general excise tax revenues to the State Highway Fund;
- (2) Increasing the amount of the state fuel tax from \$.11 per gallon to \$.16 per gallon; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1021, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1021, HD 2.

Signed by all members of the Committee.

SCRep. 744 Finance on H.B. No. 518

The purpose of this bill is to appropriate funds to establish a human immunodeficiency virus/hepatitis B virus (HIV/HBV) occupational exposure emergency response pilot program.

The Department of Health, the Governor's Committee on AIDS, the Hemophilia Foundation of Hawaii, the Hawaii Medical Association, the Life Foundation, the ACLU, the Hawaii Nurses' Association, and others testified in support of this measure.

Based on recommendations from the Department of Health, your Committee has amended the bill by:

- (1) Increasing the appropriation for fiscal year 1991-1992 from \$100,000 to \$135,000;
- (2) Including an appropriation for fiscal year 1992-1993 and inserting the amount of \$125,000 for that fiscal year; and
- (3) Providing that the HIV/HBV occupational exposure emergency response pilot program be available statewide.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 518, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 518, HD 2.

Signed by all members of the Committee.

SCRep. 745 Finance on H.B. No. 942

The purpose of this bill is to:

- (1) Amend Chapter 346, Hawaii Revised Statutes, to establish a homeless shelter stipend program that provides emergency and transitional shelters for the homeless with a flexible funding mechanism to assist in covering operating costs; and
- (2) Appropriate moneys for the homeless shelter stipend program, homeless outreach programs, and the emergency grants program; and
- (3) Authorize the Director of Finance to issue general obligation bonds for plans, design, construction, and land costs pertaining to specified homeless capital improvement projects.

Your Committee received testimony in support of this measure from the Office of Children and Youth and the Homeless Concerns Committee.

The Department of Human Services (Department) testified in favor of authorization for the homeless stipend program. However, the Department requested the deletion of the appropriations sections contained in the bill, emphasizing its support for the Executive Budget and Governor's Message with regard to funding for the homeless package.

Your Committee has amended the bill by:

- (1) Deleting all sections of the bill pertaining to the appropriation of funds; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 942, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 942, HD 2.

Signed by all members of the Committee.

SCRep. 746 Finance on H.B. No. 919

The purpose of this bill is to:

- (1) Create a special fund for the Waikiki Aquarium into which shall be deposited all revenues derived from concessions and all fees and charges from public agencies and private persons collected in conjunction with the operation of the Waikiki Aquarium;
- (2) Allow all children under the age of twelve free admittance to the Waikiki Aquarium; and

- (3) Allow persons over the age of sixty free admittance if on an excursion or tour sponsored by a senior citizens group.

Testimony in support of this measure was received from the University of Hawaii and the Waikiki Residents Association.

Your Committee has amended the bill 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. 919, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 919, HD 1.

Signed by all members of the Committee.

SCRep. 747 Finance on H.B. No. 899

The purpose of this bill is to define the purpose and to expand the powers and duties of the High Technology Development Corporation (HTDC). The bill also increases the amount authorized by the Director of Finance, with the approval of the Governor, to make loans to the HTDC up to the aggregate sum of \$1,000,000.

Your Committee received supporting testimony from the HTDC.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 899, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 899, HD 1.

Signed by all members of the Committee.

SCRep. 748 Finance on H.B. No. 805

The purpose of this bill is to amend the Fuel Tax Law, Chapter 243, Hawaii Revised Statutes, to:

- (1) Conform the statute of limitations period relating to the examination of fuel tax returns, assessments, and credit of fuel taxes to the limitation period imposed for income and general excise tax;
- (2) Provide that fuel tax may be assessed at any time in the case of a false or fraudulent tax return or statement, or the failure to file the tax return, provided that the determination of such claim must first be made by a circuit court judge as set forth in Section 235-111(b), Hawaii Revised Statutes;
- (3) Provide for the extension of time for the assessment, levy, collection, or credit of fuel tax when a written agreement is entered into by the taxpayer and the Department of Taxation before the expiration of the statute of limitations;
- (4) Clarify that statements filed under Section 243-10, Hawaii Revised Statutes, are public records; and
- (5) Amend the definition of "person" to include trusts, estates, or partnerships.

Testimony was submitted by the Department of Business, Economic Development, and Tourism; the Department of Taxation; and the Tax Foundation of Hawaii.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 805, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 805, HD 1.

Signed by all members of the Committee.

SCRep. 749 Finance on H.B. No. 736

The purpose of this bill is to provide an income tax credit to qualified resident taxpayers to satisfy constitutionally mandated requirements. Specifically, Article VII, Section 6 of the Hawaii State Constitution states that whenever the State general fund balance at the close of each of two successive fiscal year exceeds 5% of the general fund revenues, the Legislature shall provide for a tax refund or tax credit to the taxpayers of the State.

This income tax credit is in addition to the food/excise tax credit and any other credit set forth in Chapter 235, Hawaii Revised Statutes.

The Department of Taxation submitted testimony commenting on the measure's statutory and constitutional framework.

Your Committee has amended this measure by inserting \$1 in the appropriate sections of the bill to specify the amount of the tax credit for purposes of continued discussion.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 736, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 750 Water, Land Use and Hawaiian Affairs and Energy and Environmental Protection on H.B. No. 908

The purpose of this bill is to include meteorological, air quality, noise, and other environmental data collection and monitoring facilities as permitted uses in low productivity agricultural lands.

According to the Department of Business and Economic Development (DBED), passage of this bill would facilitate the collection of useful environmental data in many areas of the State for which there is none currently available. The proposed new uses are already permitted within conservation districts and would be compatible with existing permitted uses in agricultural lands other than those with soil productivity classified as A or B.

However, your Committees concurred with DBED that, as written, the bill could be interpreted too broadly. The term "small-scale" was inserted at the beginning of the amendatory language to Section 205-2(d), Hawaii Revised Statutes. To further clarify the intent of this bill, the phrase "for any purpose" at the end of the amendatory language was replaced with "occupying less than one-half acre of land, provided that such facilities shall not be used as or equipped for use as living quarters or dwellings." Also, adding the word "scientific" to the description in the amendatory language of other types of facilities permitted, provides for the gathering of types of scientific data which would be useful to the State but which were not foreseen by the original framers of the bill.

Your Committees on Water, Land Use and Hawaiian Affairs and Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 908, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 908, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 751 Water, Land Use and Hawaiian Affairs on H.B. No. 880

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR) to prepare and revise a plan for the acquisition of land having value as a resource to the State. This bill would also require DLNR to undertake studies related to the need for the land. Currently, DLNR is authorized, but not required, to undertake such activities under Section 173A-3, Hawaii Revised Statutes.

Your Committee received testimony from DLNR.

Upon further consideration, your Committee has amended this bill to require the preparation and update of the plan every three years. Such a requirement would ensure that the plan be kept current on a regular, predictable basis. In this regard, your Committee has:

- (1) Deleted the phrase "from time to time" on page 1, line 4; and
- (2) Inserted the phrase "within three years from December 31, 1990, and every third year thereafter" on page 1, lines 6 and 7.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 880, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 752 Water, Land Use and Hawaiian Affairs on H.B. No. 340

The purpose of this bill is to extend the deadline for negotiation of long-term residential leases between the Department of Land and Natural Resources (DLNR) and Hawaiians displaced by the 1926 Hoopuloa lava flow.

Your Committee received testimony from DLNR, a resident of Milolii Fishing Village, and George Yokoyama.

All testified that the expiration date contained in Act 68, Session Laws of Hawaii 1990, should be extended from January 1, 1991 to January 1, 1993. This will allow DLNR time to negotiate the remaining leases to those qualified.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 340 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 753 Water, Land Use and Hawaiian Affairs on H.B. No. 977

The purpose of this bill is to exclude revocable permits from the requirement of providing sixty-day notices to cure any breach before terminating the permits. The Department of Land and Natural Resources (DLNR) has learned that the sixty-day requirement contained in Section 171-20, Hawaii Revised Statutes, could be interpreted to be applicable to revocable permits. Because revocable permits are issued for month-to-month tenancies, the sixty-day notice is inappropriate, since such permits may be canceled upon thirty-day notice.

DLNR testified that the intent behind the sixty-day provision was to apply only to long-term use and occupancy of State land and not to temporary short-term tenancies provided under a revocable permit.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 977 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 754 Water, Land Use and Hawaiian Affairs on H.B. No. 979

The purpose of this bill is to extend the deadline of the Department of Land and Natural Resources' (DLNR) authority to enter into long-term residential lease agreements to qualified persons residing in Kahana Valley from January 1, 1992 to January 1, 1995. This bill would amend Act 5, Session Laws of Hawaii 1987, which authorizes DLNR to create a subdivision in Kahana Valley State Park for long term residential leases.

According to DLNR, work on the park is progressing; however, it will not meet the deadline for completion of the leases. The lease and lot selection process has been particularly complex in establishing a "living park concept" which meets current building requirements and satisfies the needs of both the residents and the State Parks Program.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 979 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 755 Water, Land Use and Hawaiian Affairs on H.B. No. 2009

The primary purpose of this bill is to eliminate any misinterpretation of Section 183D-28, Hawaii Revised Statutes, regarding which hunter education courses comply with the law's requirements. In addition, the bill amends the section to reflect the recent name change of the North American Association of Hunter Safety Coordinators to the Hunter Education Association. Finally, it maintains the standards for hunter education programs set forth in the United States Fish and Wildlife's Federal Aid Manual.

According to the Department of Land and Natural Resources, the State Attorney General recommended that "the use of the disjunctive word 'or' in Section 1.(c)(2) of the bill allows for either the successful completion of a hunter education or safety course in another state or a program approved by the Hunter Education Association." Hence, as written, the statute does not require that a program be approved by the Hunter Education Association. This is not the intent of the law which has been implemented to educate students to become conservation-minded and safety conscious when enjoying our State's resources.

Therefore, in order to make the intent of Section 183D-28(c) clearer, Section 1(c)(2) was slightly rewritten.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2009, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 756 Water, Land Use and Hawaiian Affairs on H.B. No. 782 (Majority)

The purpose of this bill is to protect existing lawful agricultural activities adjacent to newly reclassified urban lands, particularly those in prospective residential use, from lawsuits due to inconvenience, disturbance, or injury. The bill adds a new section to Chapter 205, HRS, requiring that petitioners for reclassification shall inform prospective residential occupants of possible such impacts, and shall provide covenants releasing the agricultural operators from all liability.

Your Committee received testimony from the Board of Agriculture, the Hawaiian Sugar Planters' Association, and the Land Use Research Foundation of Hawaii.

This bill will help to provide established lawful agricultural operations with much needed protection from nuisance complaints and lawsuits. As the State's population continues to grow rapidly, more and more agricultural lands are being reclassified and developed into urban residences. Unfortunately, the inhabitants of these subdivisions are frequently newcomers unacquainted with and unappreciative of the rural agricultural lifestyle. Hence, many farms and plantations are being subjected to harassment for normal agricultural activities by people whom they predate by many, many years. H.B. 782 is an important step towards rectifying this situation.

Your Committee has made technical, nonsubstantive amendments to the bill for the 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. 782 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 782, HD 1.

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

SCRep. 757 Water, Land Use and Hawaiian Affairs 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 Chapter 180, Hawaii Revised Statutes, relating to soil and water conservation districts, to change the qualifications of the directors of the districts and the manner in which they are elected. This bill also provides for the establishment of an association to coordinate the policies, objectives, and actions of the individual districts and for the appointment of non-voting associate directors to the districts.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Soil Conservation Service, the West Maui Soil and Water Conservation Districts, the Koolau Agricultural Co., and the Department of Health.

Your Committee has made technical, nonsubstantive amendments to the bill for the 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. 2067, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2067, HD 1.

Signed by all members of the Committee.

SCRep. 758 Human Services on H.B. No. 945

The purpose of this bill is to:

- (1) Facilitate the relocation of the Women's Community Correctional Center (WCCC) to the present Hawaii Youth Correctional Facility (HYCF) site;
- (2) Ensure that the Department of Public Safety (DPS) will be able to renovate the present HYCF facility and build the new structures, if any, required to comply with the consent decree in the Spear v. Ariyoshi case to improve the conditions for women prisoners in Hawaii;
- (3) Facilitate the relocation of the HYCF to the present WCCC site; and
- (4) Ensure that the Office of Youth Services (OYS) will be able to renovate the present WCCC facility and build the new structures required to meet the needs of the youths under its jurisdiction.

Your Committee received testimony in strong support of this bill from the DPS, the Department of Human Services, and the Office of Youth Services.

The Hawai'i Rainbow Coalition, a representative of the State House of Representatives, the Department of the Prosecuting Attorney of the City and County of Honolulu, and several others testified in favor of relocating WCCC to the HYCF site and vice versa, given the need to provide appropriate, safe, and human conditions for women and youth prisoners. However, this testimony indicated concerns regarding the loss of the safety net provided by county land use planning, zoning, and building procedures and requirements.

Your Committee emphasizes that both the DPS and the OYS have assured your Committee that in planning and constructing the facilities, public input would be sought, and the needs and aesthetic preferences of the surrounding communities, including the preservation of Mount Olomana, would be addressed.

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

- (1) Provided in the purpose clause that it is the intent of the Legislature that the DPS and the OYS obtain community input in the planning and constructing of renovations as well as new structures, and address with sensitivity the needs and aesthetic preferences of the community;
- (2) Amended Section 353C-2, Hawaii Revised Statutes, to require the Director of the DPS to ensure that correctional facilities and services meet the present and future needs of persons committed to these facilities;
- (3) Amended Section 352D-6, Hawaii Revised Statutes, to require that the Director of the OYS ensure that youth correctional facilities and services meet the present and future needs of youth under the jurisdiction of the facilities;
- (4) Clarified that the exemption from the provisions of Section 205-8, Hawaii Revised Statutes, only apply to the relocation of WCCC to the HYCF site and vice versa, and not to any other facilities used for correctional purposes;

- (5) Required that all lawful nonconforming uses shall be designed and constructed to blend into the pristine natural environment surrounding the facilities and be minimally intrusive, if at all, as to the surrounding communities;
- (6) Required the DPS and the OYS to submit annual reports to the Legislature regarding:
 - (a) The breakdown of the population incarcerated at each facility, including the numbers of serious or violent offenders incarcerated at each facility;
 - (b) An assessment of each facility's ability to accommodate the numbers of serious or violent offenders under its jurisdiction;
 - (c) An assessment of the implementation of programs providing alternatives to incarceration; and
 - (d) All plans and designs for the renovation of existing structures and the building of new structures at each facility, including the status of implementation and the costs of plans, designs, and implementation;
- (7) Provided that the section pertaining to exemption from Section 205-8, shall be repealed on July 1, 1994; and
- (8) 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. 945, HD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 945, HD 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 759 Transportation on H.B. No. 1033

The purpose of this bill is to amend Section 286-102, Hawaii Revised Statutes, by adding trucks and vans with a gross vehicle weight of ten thousand pounds or less as a motor vehicle, the operation of which requires a driver's examination and license.

Your Committee finds that this bill is necessary to correct an inadvertent omission from Act 320, Session Laws of Hawaii 1989, which is also reflected in Act 342, Session Laws of Hawaii 1990.

Your Committee received testimony in support of the measure from the Department of Transportation and the Hawaii Transportation Association.

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

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1033, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1033, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 760 Education on H.B. No. 958

The purpose of this bill is to repeal Section 298-10, Hawaii Revised Statutes, relating to the school attendance of blind and deaf children.

In testimony presented in support of this measure, the Department of Education noted that provisions under federal law and state rules adequately provide for the education of blind and deaf children. Current guidelines for educating blind and deaf children are included in the federal Education for All Handicapped Children Act, 20 U.S.C., Sections 1400-1485; and in the Hawaii Administrative Rules, Chapter 36, Title 8, "Provision of a Free and Appropriate Education for Exceptional Children Who Are Handicapped."

Your Committee on Education is in accord with the intent and purpose of H.B. No. 958 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 761 Education on H.B. No. 2123

The purpose of this bill is to increase the number of School Advisory Council members in the Honolulu District from five to seven members.

Testimony in support of this measure was submitted by the Department of Education and Foresight Pacific, Inc.

Upon further consideration, your Committee has amended this measure to grant the Board of Education with the authority to appoint members of the District School Advisory Councils. Each council member shall serve for a term of four years commencing upon the council member's appointment.

Allowing the Board of Education to appoint council members would make the School Advisory Council members directly responsible and accountable to the Board of Education. This would enhance the ability of council members to advise the Board on the development of policies and other educational matters.

Other technical, nonsubstantive amendments have 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. 2123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2123, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 762 Health on H.B. No. 627

The purpose of this bill, as received, is to clarify the Certificate of Need (CON) requirements as they apply to offices of physicians, clinics, dentists, or other practitioners of the healing arts in private practice.

Testimony was received in favor of the bill from the State Health Planning and Development Agency (SHPDA), Hawaii Statewide Health Coordinating Council, Hawaii Medical Service Association, and the Windward Subarea Health Planning Council. Testimony was presented in opposition to the bill from a minority group of the Community Committee from SHPDA and Hawaii Right to Life.

Your Committee finds that there is no government oversight of clinics other than the CON process. Because out-patient services are a growing segment of the health care industry, it is essential that some aspects of these operations be reviewed to curtail costs and ensure high standards. Therefore, the bill has been amended to remove clinics from the exemption of CON requirements.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 627, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 763 Health on H.B. No. 1707

The purpose of this bill is to amend the law relating to health planning and resource development and health care cost control to:

- (1) Establish a definition of consumer;
- (2) Change the definition of "organized ambulatory health care facility" to exclude the private offices of physicians, dentists, and other practitioners of the healing arts who are engaged in private practice;
- (3) Revise the definition of "state health services and facilities plan" to mean a plan developed and prepared by the state health planning and development agency, rather than the statewide health coordinating council;
- (4) Clearly establish that the authority for adopting such plans lies with the statewide coordinating health council;
- (5) Clarify that conditional certificates of need may be given;
- (6) Clarify that on the part of the State, the people covered by ex parte contacts prohibitions are the administrator and persons on the statewide council, the review panel, and the subarea council;
- (7) Designate the chairperson of the statewide council, instead of the administrator, as the chairperson of a reconsideration committee; and
- (8) Delete Section 323D-13.5, Hawaii Revised Statutes, regarding disqualification from position or membership.

Representatives of the State Health Planning and Development Agency, the Hawaii Statewide Health Coordinating Council, and one individual testified in support of this bill. A representative of Hawaii Right to Life testified against the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1707 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 764 Higher Education and the Arts on H.B. No. 980

The purpose of this bill is to allow the use of studded snow tires on the Mauna Kea access road above Hale Pohaku and on other roads within the Mauna Kea Science Reserve.

The Mauna Kea access road above Hale Pohaku and other roads within the Mauna Kea Science Reserve leased to the University of Hawaii are plagued by severe ice and snow conditions. According to testimony received, studded snow tires would greatly improve the safety of observatory personnel and visiting astronomers who must travel on icy roads during the late night or early morning hours by providing additional traction.

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

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 980, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 980, HD 1.

Signed by all members of the Committee.

SCRep. 765 Legislative Management and Judiciary on H.B. No. 508

The purpose of this bill is to improve citizen access to the Hawaii Revised Statutes and other statutory compilations by requiring the copyright of these legislative collections. By doing so, the Legislature would be able to ensure that those works are accurate and complete.

This measure would also provide for the unrestricted use of the Hawaii Revised Statutes for noncommercial purposes. All other uses would require the specific permission of the State.

During your Committees' deliberations it was noted that the copyright question involves an examination of two very separate issues. The provision of statutory data to an individual citizen at low cost to cover reproduction expenses is completely separate from the provision of the data at low cost to an individual or corporate entity which plans to resell the same information to consumers at for-profit levels. The Hawaii Revised Statutes, Session Laws of Hawaii, and other statutory compilations were created at substantial cost to Hawaii taxpayers, and as such are within the public domain. Accordingly, if the legislative information has commercial value, then the taxpayers who paid for the creation of these works are entitled to share in any profits realized.

Your Committees are especially concerned that Hawaii's statutory compilations are kept current, accurate and complete, particularly where private publishers are proposing to offer Hawaii Revised Statutes and other legislative information as on-line, electronic information services to the public. Currently, some publishers have developed such electronic services through the purchase and electronic conversion of hard-copy versions of the Hawaii Revised Statutes, a method through which only selected private publishers benefit.

With the passage of Chapter 206P, Hawaii Revised Statutes, however, the Legislature has enacted legislation to promote the economic diversification of the State through the development of an information industry. Legal information services, such as Lexis and Westlaw, are well-known and widely-used nationally. To develop marketable information services utilizing Hawaii statutory databases, there must be a mechanism to reasonably regulate the commercial distribution of accurate and complete copies, in a machine-readable form, of statutory data which is editorially created by the Legislature.

Testimony was submitted by the Lieutenant Governor, the Department of the Attorney General, the Office of Technology Transfer and Economic Development, the Office of the Legislative Reference Bureau, and concerned individuals.

Upon further consideration, your Committees made the following amendments to this measure:

- (1) Made the Revisor of Statutes responsible for securing the copyright on behalf of the State and granting licenses for the commercial distribution purposes;
- (2) Added a new section to ensure that copies of all or portions of the Hawaii Revised Statutes, when distributed for commercial purposes, accurately state the law in effect when those copies are compiled and sold;
- (3) Clarified unrestricted "noncommercial purposes" to include: dissemination of information about the Hawaii Revised Statutes through the news media; research, including regular usage by attorneys and other persons conducting research; or educational or other uses by law schools and other educational institutions;
- (4) Specified the procedures to be taken by an applicant who wishes to use the Hawaii Revised Statutes for commercial purposes;
- (5) Provided that the enforcement of copyright requirements is the responsibility of the Attorney General; and
- (6) Amended the effective date to take effect on June 30, 1992 to allow the Revisor of Statutes sufficient time to determine the extent to which the licensing function may require additional staff support and funding, and adequately prepare to implement the provisions of the law.

Your Committees on Legislative Management and Judiciary are in accord with the intent and purpose of H.B. No. 508, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 508, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 766 Labor and Public Employment and Judiciary on H.B. No. 2131

The purpose of this bill is to amend Chapter 378 of the Hawaii Revised Statutes relating to Employment Practices to explicitly provide that Chapter 378 does not preclude persons from maintaining a cause of action for intentional infliction of emotional distress, invasion of privacy, wrongful discharge or negligence. This bill also amends Chapter 386 relating to Workers' Compensation to explicitly provide that Chapter 386 does not preclude persons from maintaining actions for intentional infliction of emotional distress or intentional invasion of privacy.

Your Committees find that persons seeking statutory relief under Chapter 378 relating to Employment Practices should not be precluded from maintaining a cause of action arising out of the same facts as the employment practices claim in a court of law. Similarly, persons seeking statutory relief under Hawaii's Workers' Compensation Law should not be precluded from maintaining a cause of action arising out of the same facts as the workers' compensation claim in a court of law.

Testimony supporting the intent of this measure was submitted by Na Loio No Na Kanaka, the Lawyers for the People of Hawaii.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 2131 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 767 Ocean and Marine Resources on H.B. No. 2081

The purpose of this bill is to consolidate the provisions of Chapter 422, Hawaii Revised Statutes (HRS), relating to fish marketing associations, into Chapter 421, HRS, relating to agricultural cooperative associations.

Your Committee finds that this consolidation would be beneficial to fish marketing associations. For example, Chapter 422 still requires patronage refunds to non-members on the same basis as members unless time-consuming records are kept; this is not the case for associations under Chapter 421. Moreover, it is easier for associations to organize under Chapter 421 than it is under Chapter 422.

Upon further consideration, your Committee has amended this bill by inserting a savings clause into the definition of "association" in Section 421-1 to allow existing fish marketing associations to be incorporated under Chapter 421, and thereby prevent them from being inadvertently dissolved.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2081, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2081, HD 1.

Signed by all members of the Committee except Representatives Alcon, Bunda, Yoshimura and O'Kieffe.

SCRep. 768 Ocean and Marine Resources on H.B. No. 505

The purpose of this bill is to amend Section 205A-22, Hawaii Revised Statutes, to amend the cost threshold which distinguishes developments requiring "special management area minor permits" from developments requiring "special management area use permits", by increasing the threshold cost of a development from \$65,000 to \$125,000.

Your Committee received testimony in support of this bill from the Office of State Planning, the Department of Land Utilization (DLU) of the City and County of Honolulu, the Estate of James Campbell, and the Land Use Research Foundation of Hawaii.

According to the testimony, the valuation of the special management area minor permit has not been changed since 1982. At that time the threshold was increased from \$25,000 to the current \$65,000. Since then, development and construction costs have increased substantially. Projects which used to be valued under \$65,000 and produced no substantial adverse effects were processed as minor permits. However, due to the increased construction costs, these same projects are now required to apply for special management area use permits (also known as major permits) even when adverse effects are minimal. According to DLU, the process for obtaining a major permit is lengthy and involves an environmental assessment, a public hearing, and an elaborate public decision-making process.

Your Committee determines that the increase in the threshold valuations from \$65,000 to \$125,000 is appropriate and reflects increasing costs of construction. This bill will allow the Counties to administratively process minor projects which do not have substantial adverse effects, while still allowing public review of those projects which may have substantial adverse effects on the environment.

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

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 505, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bunda.

SCRep. 769 Ocean and Marine Resources on H.B. No. 973

The purpose of this bill is to amend Section 190-4.5, Hawaii Revised Statutes, by providing the Department of Land and Natural Resources (DLNR) the authority to regulate boating and anchoring within Marine Life Conservation Districts (MLCDs). Section 190-4.5 currently authorizes DLNR to adopt rules to only regulate mooring in MLCDs.

Your Committee heard testimony in support of this bill from DLNR and the Department of Transportation (DOT).

The DOT recommended deletion of references to boating regulations in MLCDs, because it would be redundant to place boating regulations in two separate departments. Moreover, there is currently a House bill being heard which will transfer the entire boating program from DOT to DLNR.

Upon further consideration, your Committee has amended this bill by deleting the word "boating" from lines 3 and 6 of the bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 973, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 770 Consumer Protection and Commerce 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 on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 991 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 771 Consumer Protection and Commerce 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 Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 896, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 772 Consumer Protection and Commerce 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.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1000, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1000, HD 2.

Signed by all members of the Committee.

SCRep. 773 Consumer Protection and Commerce on H.B. No. 818

The purpose of this administration bill is to specify that if neither party to a non-binding arbitration proceeding under the State Certified Arbitration Program (SCAP) requests a trial de novo within thirty days after service of the arbitration award, the arbitrator's decision shall become binding upon the parties.

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

The present statute allows arbitration which is non-binding if a subsequent trial de novo is requested within thirty days. The statute is unclear as to the result of the arbitrator's decision if no trial de novo is requested.

The need for this amendment to the present statute became apparent following a problem which arose after an arbitration proceeding between a consumer and a manufacturer this past year. Following the issuance of a non-binding arbitration decision in favor of the consumer, the manufacturer refused to honor the decision, based upon its interpretation that the decision was only "advisory" in nature. The consumer did not file for a trial de novo because he had received a decision in his favor for a full refund of his automobile by the arbitrator, and believed the decision was final. In addition, he could not meet the requirement that if one requests a trial after arbitration, one must improve one's

position by at least twenty-five percent or be liable for all costs of trial and attorney's fees, because the decision in his case was already totally in his favor. The manufacturer in this instance sought to benefit from the consumer's "catch-22" situation, contrary to the law's intent.

Clearly, the Legislature meant the term "non-binding arbitration" to apply only during the thirty day period following arbitration when a trial de novo could be requested. This bill clarifies the proper distinction between "non-binding" and "binding" SCAP proceedings: when "non-binding" arbitration is selected by the consumer, either party may request a trial de novo if dissatisfied with the arbitrator's award. If neither party requests a trial de novo, the decision is deemed final and binding. The right to a trial de novo must not be permitted to transform "non-binding" arbitration into a merely advisory proceeding simply because neither party exercises its right to trial de novo.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 818 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 774 Judiciary on H.B. No. 19

The purpose of this bill is to allow:

- (1) The issuance of driver's licenses valid for four years to persons eighteen years of age or older;
- (2) The issuance of a special license valid for two years for persons fifteen to seventeen years of age who have satisfied the requirements of Sections 286-108 and 286-109, Hawaii Revised Statutes (HRS);
- (3) The issuance of a two-year driver's license for persons seventy-five years or older or for persons seventeen years of age or younger; and
- (4) The right of appeal pursuant to Section 286-129, HRS, for persons denied a driver's license.

Motor vehicle drivers between the ages of fifteen and seventeen are continuing to develop their newly learned driving skills. Generally, the requirement that the license be renewed every two years during these formative years was mandated to ensure that one's driving knowledge and ability would improve. However, statistics indicate that the two-year driver's license renewal currently required of persons eighteen to twenty-four years of age and persons sixty-five years of age or older do not change driving habits and thereby lower accident rates as intended.

Testimony in support of this measure was submitted by the Department of Transportation and the Department of Finance of the City and County of Honolulu.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 19, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 775 Judiciary on H.B. No. 133

The purpose of this bill is to regulate the use of excessively loud sound amplification systems in motor vehicles by:

- (1) Prohibiting the operation of sound systems that can be heard from not less than 60 feet; and
- (2) Imposing a fine of not less than \$25 and not more than \$250 for each offense.

Excessively loud motor vehicle sound systems negatively affect the public's health and welfare. Although the City and County of Honolulu already has a similar ordinance in effect, the enactment of this measure will mandate this regulation on a statewide basis.

Testimony in support of this measure was submitted by the Department of Transportation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 133, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 776 Judiciary on H.B. No. 930

The purpose of this bill is to amend Sections 291C-132, 339-8, and 708-829, Hawaii Revised Statutes, by establishing mandatory penalties for littering.

Currently, the courts may impose penalties for littering on any public or private properties or waters, or littering from a vehicle on any highway. The enactment of this measure would require the courts to impose mandatory penalties for littering and, hopefully, thereby decrease the amount of litter found in our environment.

Testimony in support of this measure was submitted by the Department of Health, the Department of Transportation, and the Governor's Advisory Committee on Litter Control.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 930 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 777 Judiciary on H.B. No. 1032

The purpose of this bill is to amend Section 267-16, Hawaii Revised Statutes (HRS), to prohibit a person from permitting anyone under fifteen years of age to operate a thrill craft.

Currently, Section 267-16, HRS, forbids anyone less than fifteen years of age to operate a thrill craft. However, the law does not address the responsibility of others who permit or mislead others into permitting anyone under fifteen to operate a thrill craft.

Testimony in support of this measure was submitted by the Department of Transportation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1032 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 778 Judiciary on H.B. No. 971

The purpose of this bill is to amend Chapter 187A, Hawaii Revised Statutes, by:

- (1) Broadening the application of Chapter 187A by establishing a clearer definition of the term "fishing";
- (2) Granting the Department of Land and Natural Resources (DLNR) jurisdiction over residents, permittees, or licensees that fish beyond the State marine waters, which would allow the State to handle such problems as the longline/troll fishing conflict; and
- (3) Authorizing DLNR to issue permits to allow a person to fish for aquatic life or use certain prohibited fishing gear for scientific, educational, or propagation purposes.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 971, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 779 Judiciary on H.B. No. 30

The purpose of this bill is to amend Section 291-34, Hawaii Revised Statutes, to increase the legal height of a motor or other power vehicle, operated or moved on any public road or highway, from thirteen and one-half feet to fourteen feet, including load.

Currently, 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.

Testimony in support of this measure was submitted by the Department of Transportation, the Hawaii Transportation Association, and the Hawaii Food Industry Association.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 30, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 780 Judiciary and Consumer Protection and Commerce on H.B. No. 561

The purpose of this bill is to add a new section to Chapter 486, Hawaii Revised Statutes, to prohibit the labeling of processed macadamia nuts or unprocessed macadamia nut products which are not grown in Hawaii with the term "grown in Hawaii," and to require notice of the Hawaii origin of macadamia nuts or macadamia nut products that are grown in Hawaii.

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 561, HD 1, and recommend that it pass Third Reading.

Signed by all members of the Committees.

SCRep. 781 Judiciary 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. However, 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.

Testimony in support of this measure was submitted by the Office of State Planning, the Department of Parks and Recreation of the City and County of Honolulu, Life of the Land, and the Sierra Club.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 48, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 782 Judiciary 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.

Animals that are transported in the open bed or the load-carrying area of a pick-up truck on any public street or highway are susceptible to serious injuries and may be potential traffic hazards.

Testimony in support of this measure was submitted by the Department of Transportation, the Hawaiian Humane Society, and the Police Department of the City and County of Honolulu.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 10, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 783 Judiciary 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), and 393 (Prepaid Health Care Law), Hawaii Revised Statutes; and violations described in Section 371-9, Hawaii Revised Statutes.

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 these statutes.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 998, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 784 Judiciary on H.B. No. 387

The purpose of this bill is to modify the membership of the Medical Advisory Board.

This measure, as originally introduced, also provided for statutory guidelines for the issuance of driver's licenses to persons with epilepsy. The provision for these statutory guidelines was deleted and the membership of the Medical Advisory Board was increased to include a neurologist. The addition of a neurologist to the Medical Advisory Board would, in addition to other duties, 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 required for persons with epilepsy.

Testimony in support of this measure was submitted by the Department of Transportation, the Epilepsy Foundation of Hawaii, and private citizens.

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. 387, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 387, HD 2.

Signed by all members of the Committee.

SCRep. 785 Judiciary on H.B. No. 1428

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).

This measure deletes the phrase "under conditions of safety for the public" in Section 115-4, HRS, because others have interpreted this phrase to encourage certain misguided property owners to create or maintain unsafe conditions in the hopes of limiting the public's transit on beaches and shoreline areas. This amendment would ensure that Section 115-4, HRS, will not be interpreted as qualifying the right of transit along the shoreline in this manner.

Testimony in support of this measure was submitted by the Kauai Windsurfing Association and a private citizen.

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. 1428, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1428, HD 1.

Signed by all members of the Committee.

SCRep. 786 Judiciary on H.B. No. 1251

The purpose of this bill is to request that the Legislative Reference Bureau conduct a review of the Hawaii Revised Statutes to ensure that all statutory provisions are gender neutral and comply with the concept of equality of the sexes as embodied in the Hawaii State Constitution.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1251, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 787 Judiciary on H.B. No. 2214 (Majority)

The purpose of this bill is to require all legislative findings and declarations made in a bill purporting to abrogate any fundamental rights granted under the federal or Hawaii Constitutions to be supported by reliable documentation.

Your Committee received favorable testimony from the Small Landowners Association and Kamehameha Schools/Bernice Pauahi Bishop Estate which expressed concern about the conclusive nature of courts' deference to legislative findings not evidenced by any documentation.

It is your Committee's intent that this measure set an unambiguous standard to be met when legislative committees deem it appropriate to include findings and purpose clauses. Your Committee has amended this bill by deleting the language referring to "fundamental rights" which it believes can lead to ambiguity. Your Committee also eliminated the word "reliable" on page 1, line 17, as surplusage.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2214, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 788 Judiciary on H.B. No. 1711

The purpose of this bill is to allow intervention as a matter of right by complainants at Civil Rights Commission hearings.

Your Committee received testimony from the Hawaii Civil Rights Commission, the Hawaii Women Lawyers Association, the Hawaii Womens Political Caucus and the Lawyers for the People of Hawaii. Presently, the Commission's rules allow parties or interested persons to intervene in hearings subject to considerations of delay or prejudice to the rights of the other parties. The rules further require that hearings be conducted within 180 days after a final conciliation demand and a decision be issued within 60 days of the hearing. Thus, intervention as a matter of right may affect the hearing and decision deadlines set by the rules.

Your Committee feels that the Commission should be allowed some discretion to prevent delay or prejudice. Therefore, your Committee has amended this bill by inserting the words "upon the filing of a timely motion to intervene" to line 9.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1711, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 789 Consumer Protection and Commerce and Judiciary on H.B. No. 532

The purpose of this bill is to prohibit the issuance, renewal, or transfer of liquor licenses for the on-site sale and consumption of alcohol to any establishment located within six hundred feet of a school, church, hospital, or public playground.

Supportive testimony was offered by concerned citizens who testified that this bill would reduce the frequency of motor vehicle accidents as well as promote a healthy learning environment for the children of the State of Hawaii.

Representatives from the County of Hawaii's Department of Liquor Control (DLC), Michael Spalding Realty, the Maui Chamber of Commerce, and the Hawaii Food and Beverage Association noted that the over-encompassing nature of the language used in this measure would affect a large number of hotels, "family-style" restaurants, and nightclubs which are located near schools, playgrounds, churches or hospitals. The representative from DLC added that a survey of licensed premises within the County of Kauai indicated that approximately 33 percent of the 114 establishments currently holding a liquor license for the on-site sale and consumption of alcohol would be eliminated through the non-renewal provision of this bill.

A representative from the Hawaii Hotel Association added that the provisions of this bill would have detrimental effects on Hawaii's tourism industry, and that the prohibition of liquor licenses to establishments located in close proximity to schools, churches, hospitals, or public playgrounds should not apply to resort areas.

Accordingly, your Committees have amended this bill by:

- (1) Stipulating that the issuance of liquor licenses for the on-site sale and consumption of alcohol to applicants located within 500 feet of a school shall be left to the discretion of the Liquor Commission;
- (2) Deleting provisions relating to the renewal and transfer of liquor licenses;
- (3) Eliminating references to churches, hospitals, and public playgrounds;
- (4) Revising the distance restrictions between schools and premises selling alcohol for on-site consumption from six-hundred feet to five-hundred feet; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 532, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 532, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Cachola.

SCRep. 790 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on H.B. No. 1117

The purpose of this bill is to state the terms of the franchise to be granted to Maui Electric Company. The terms of the franchise granted to Maui Electric are the same as the terms of the franchises granted to Lanai and Molokai, as this will make it easier to administer the franchises for the three islands.

The Public Utilities Commission (PUC) testified in support of the bill. However, they wanted to make clear that nothing in the terms of the franchise is intended to change the requirements imposed upon Maui Electric Company, Limited as a public utility under Chapter 269, Hawaii Revised Statutes. Your Committees agree with the PUC on this point.

Your Committees have made technical, non-substantive amendments to this bill to correct incorrect references.

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. 1117, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1117, HD 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 791 Consumer Protection and Commerce on H.B. No. 1985

The purpose of this bill is to amend Chapters 516 and 516D, Hawaii Revised Statutes, to include a civil penalty for failure to comply with leasehold disclosure requirements and to provide for certain exceptions to leasehold disclosure requirements.

Your Committee heard testimony on four similar bills, H.B. 1985, H.B. 2001, H.B. 1770, and H.B. 1987, from the Real Estate Commission, Hawaii Association of Realtors, Department of Commerce and Consumer Affairs, Hawaii Council of Associations of Apartment Owners, Bernice Pauahi Bishop Estate, Small Landowners Association, Forum on Leasehold Issues, State of Hawaii Housing Finance and Development Corporation, Hawaii State Bar Association, and James Mee.

The provisions of the four bills were combined into this one bill, as amended. The major provisions include:

- (1) Exempting, from the disclosure requirements, transfers to a co-owner or spouse, child or parent of the seller, to any stranger by devise, descent, or court order, or by operation of law;
- (2) Extending the time that the buyer has to consider the disclosure from five days to ten days, throughout the bill;
- (3) Suggesting that buyers consult an attorney regarding lease documents;
- (4) Using a standardized glossary of terms provided in a Hawaii governmental publication, such as that currently published by the Housing Finance and Development Corporation;
- (5) Limiting the requirement that buyers state they understand the lease document to stating that they understand the standardized summary of lease provisions;
- (6) Offering an option to waive the disclosure requirements to other than natural persons, such as corporations, partnerships, and limited partnerships;
- (7) Civil penalties of \$1,000 for failure to comply with the required disclosures; and
- (8) Requiring lessors to produce unrecorded lease documents where the buyer will assume legal obligations under these lease documents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1985, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 792 Consumer Protection and Commerce on H.B. No. 1599

The purpose of this bill is to amend Chapter 269-15, Hawaii Revised Statutes, to include protection of the public health among the factors the Public Utilities Commission (PUC) could consider in regulating public utilities.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (DCCA), and the PUC, as well as Hawaiian Electric Company, Inc.

The Consumer Advocate from the DCCA was concerned with the possible broadening of the scope of the PUC's mandated duties under this bill and the PUC's ability to require that the Consumer Advocate appear at proceedings to testify on matters of public health. As written, this bill could be read to mandate consideration of health issues in all instances. The PUC noted that protecting the public health is already among their concerns as regulators. The Consumer Advocate expressed concern that if they were mandated by the PUC to respond to public health issues, their current personnel do not have the training, experience or education in the health area as they do in the area of rate making. The Consumer Advocate noted that if the bill were read to enlarge the role of both the PUC and the Consumer Advocate without increasing personnel or funds, both would have difficulty complying.

Your Committee regards this bill as one which clarifies the areas of consideration by the PUC. The bill does not mandate such consideration, either by the PUC or by the Consumer Advocate. It is expected that the public's health is already of concern to the PUC and that, when appropriate, it can direct the public utilities to respond to such concerns, just as it can direct such response in other areas of concern.

Your Committee has amended this bill to clearly reflect the Committee's view.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1599, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 793 Consumer Protection and Commerce on H.B. No. 790

The purpose of this bill is to:

- (1) Repeal the legal authority for the Advisory Committee on Markets;
- (2) Clarify the grade labeling requirements for fresh fruits, vegetables, nuts and coffee; and
- (3) Repeal mandatory retail grade labeling requirements.

The Department of Agriculture and the Hawaii Food Industry Association testified in support of this bill.

Your Committee finds that the Advisory Committee on Markets is no longer needed and that mandatory retail grade labeling of fresh fruits and vegetables does not afford the consumer a significant benefit.

The Department of Agriculture testified that the existing language concerning grade labeling requirements in Section 147-4, Hawaii Revised Statutes, is confusing. The amendments to the language of the Section are proposed to clarify the requirements of the Section.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 790 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 794 Consumer Protection and Commerce on H.B. No. 669

The purpose of this bill, as received, is to:

- (1) Repeal, as of December 31, 2001, Chapter 458 of the Hawaii Revised Statutes, regulating dispensing opticians;
- (2) Amend the education, training, and examination requirements for applicants for dispensing opticians licenses; and
- (3) Repeal the requirement that dispensing opticians refer patients back to their prescribing ophthalmologist or optometrist after fitting them for contact lenses.

The Chair of the Board of Dispensing Opticians (Board), the Hawaii Ophthalmological Society, the Hawaii Optometric Association, and the Hawaii Medical Association all testified in opposition to the bill. Their testimony indicated that the current statute should be retained as is because of potential harm to consumers from poorly or incorrectly fitted glasses and contact lenses.

Upon further consideration, your Committee has amended this bill basically to retain the current statutory frame work. In addition, your Committee has placed a five-year sunset provision on the practical examination given by the Board. It is expected that within this time frame, a national practical examination will be developed for possible usage by the Board. Your Committee has also made technical and nonsubstantive amendments to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 669, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 795 Consumer Protection and Commerce on H.B. No. 1110

The purpose of this bill is to allow insurers to combine two separate notices of the coverage of the Hawaii Life and Disability Insurance Guaranty Association fund into one document.

The bill also provides that the summary document required by Section 431:16-218(b), Hawaii Revised Statutes, to be prepared by the Association, be done within sixty days of July 1, 1991.

The current statute has been interpreted to require two separate documents. One document contains a disclaimer which describes the coverage that is available under the Guaranty Fund and states that there may be substantial limitations for the coverage. Another document notifies the policy holder that coverage under the Guaranty Fund is not provided for the policy, or any portion of the policy in which the policy holder bears a portion of the risk, such as variable annuities and universal life policies. A policy holder, therefore, may receive one or both documents for the policy or policies, leading to confusion. Using one document will simplify the interpretation of what is and what is not covered by the Guaranty Fund.

The Department of Commerce and Consumer Affairs, the Hawaii State Association of Life Underwriters, and the Hawaii Association of Domestic Life Insurers testified in support of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1110 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 Cachola.

SCRep. 796 Consumer Protection and Commerce 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 has also made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 792, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 792, HD 2.

Signed by all members of the Committee.

SCRep. 797 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on H.B. No. 1119

The purpose of this bill, as received by your Committees, is to amend Chapter 408, Hawaii Revised Statutes, and add a section to permit financial service loan companies to establish branches in the Territory of Guam and the Commonwealth of the Marianas.

Currently, only banks and savings and loans licensed in Hawaii are permitted to open branches out of state. This bill will permit a Hawaii financial services loan company, having a combined capital and surplus of \$1,000,000 or more, to open branch offices in the Territory of Guam and the Commonwealth of the Marianas. The bill provides for regulatory oversight by the Commissioner of Financial Institutions.

The Department of Commerce and Consumer Affairs and the Hawaii Financial Services Association testified in support of the bill.

Your Committees made technical, non-substantive amendments to the bill for the purposes of style and clarity.

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. 1119, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1119, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Baker and Cachola.

SCRep. 798 Consumer Protection and Commerce and Judiciary on H.B. No. 1996

The purpose of this bill is to provide certain liability immunity to organizations which manage public, educational, and governmental access to cable television systems.

Your Committees heard testimony from the Department of Commerce and Consumer Affairs (DCCA), O'lelo: The Corporation for Community Television, the Hawaii State Bar Association, the producer of "Afro-Hawaii Showcase," the American Red Cross, and the firm of Paul, Johnson, Alston and Hunt who represent O'lelo.

O'lelo is a non-profit corporation designated by the State of Hawaii to manage access programming on public television. Under the federal Cable Communications Act of 1984 (Cable Act), cable companies, which may be required by franchise authorities like the State of Hawaii to provide for public, educational and governmental access, may not exercise editorial control over the content of that programming. To counter-balance this restriction, the Cable Act protects cable operators from liability for any programming carried on public, educational, or governmental access channels. However, the Cable Act does not provide this protection from liability to independent management organizations (such as O'lelo), as it does to cable operators.

Although organizations such as O'lelo are not prohibited from exercising editorial control over access programming, the DCCA believes it is inappropriate to engage in such content control. Undoubtedly, some of the community based programs will be offensive and may raise difficult and costly free speech issues, privacy issues and defamation issues.

The liability for such programs should rest with the producers of the programs, and not with the access organizations such as O'lelo. If access organizations are to serve the goal of ensuring community access to a forum for the open expression of opinions and ideas, then these organizations cannot be responsible for censoring programs. This bill will ensure that O'lelo does not incur liability for the content of the programs produced and televised by individuals or community organizations. Only the producers would be liable.

Your Committees amended the definition of "access organization" in accordance with DCCA's suggestion. The bill, as drafted, only provided immunity to organizations specifically formed for the purpose of managing access activities, and your Committee changed the definition to reflect that any organization designated by the Director, including existing organizations, could be access organizations.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 1996, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1996, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola and Peters.

SCRep. 799 Consumer Protection and Commerce on H.B. No. 660

The purpose of this bill is to limit the amount of money received by persons unable to work because of injury sustained on the job while operating an employer-owned motor vehicle, so that they do not receive more money than they had received while working. It is a narrow bill aimed at correcting a loophole whereby an individual, collecting both worker's compensation and no-fault benefits, can receive more than the individual's normal take home pay.

Your Committee heard testimony from the Department of Taxation, the City and County of Honolulu, MTL Inc., Hawaii Transportation Association, and Hawaii Independent Insurance Agents Association.

The present law provides that in work-related injuries, the aggregate of the payments under the Worker's Compensation Law and no-fault loss of income benefits shall not exceed eighty per cent of the injured person's monthly earnings. However, most employees actually take home less than eighty per cent of their gross income, so the present law results in the injured worker receiving more money in wage replacement (which is tax free) than that individual earns while on the job.

As an example, an employee earning \$3,000 per month is injured in an on-the-job auto accident. This employee is entitled to worker's compensation and no-fault benefits. Under the current law, the employee would receive \$1,785 in worker's compensation benefits and \$615 in no-fault wage replacement benefits, for a total of \$2,400, or eighty per cent of the gross monthly wages. If the employee's normal take home pay is \$2,100, due to the injury, the employee would be "earning" \$300 more per month, thus creating a disincentive to return to work.

This bill remedies this situation by limiting the combined worker's compensation and no-fault benefits to no more than the employee's net monthly earnings. The bill, in no way, limits the worker's benefits under the Workers' Compensation Law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 660 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 800 Consumer Protection and Commerce on H.B. No. 819

The purpose of this administration bill regarding the licensing of hearing aid dealers and fitters is to delete the specific requirements for the form of the licensing examination, making the administration of the practical examination optional rather than mandatory.

Your Committee heard testimony from the Board of Hearing Aid Dealers and Fitters (Board).

A recent Legislative Auditor's report recommended that the Board develop a more comprehensive approach to constructing Board examinations. The current examination statute, because of its specificity, prevents the Board from accomplishing this objective.

To comply with the Legislative Auditor's report, this bill seeks to:

- (1) Delete specific requirements of the examination statute which mandate that certain areas be tested in a specified manner; and
- (2) Provide for testing in a manner the Board finds appropriate.

The bill gives the Board more freedom to develop a valid examination.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 819, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 801 Consumer Protection and Commerce on H.B. No. 826

The purpose of this bill, as received by your Committee, is to strengthen and clarify the regulation of real estate licenses. The bill provides for an additional prerequisite of financial integrity for licensing, clarifies fees and changes in license status and the place of business, provides for an additional cause of disciplinary action, and clarifies provisions relating to condominium hotel operators.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of this bill.

The additional prerequisite of financial integrity is required because real estate professionals handle transactions or the management of real estate for others that could involve enormous amounts of money. Therefore, the real estate professional should be able to demonstrate the capability to administer financial transactions. This change to the statute will allow DCCA to review the applicant's background and present situation in handling financial matters.

Your Committee changed the wording of Section 2 of the bill amending Section 467-11(c), Hawaii Revised Statutes, to more clearly provide that any change in licensing status requires an application with prescribed information, and that all licenses, active and inactive, must be renewed.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 826, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 802 Consumer Protection and Commerce on H.B. No. 721

The purpose of this bill is to amend Chapter 442, Hawaii Revised Statutes, to update the definition of "chiropractic" and the nomenclature used for chiropractors.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, the Hawaii State Chiropractic Association, Inc., the Hawaii Federation of Physicians and Dentists, and Calvin C.M. Kam, M.D., Inc.

The current statute has not been revised in many years, and the practice of chiropractic has changed somewhat in time. The bill redefines chiropractic to mean the science of palpating and adjusting the articulations of the human body, instead of just the human spinal column, and permits diagnosis as well as treatment. The bill adds the terms, "doctor of chiropractic" and "chiropractic physician", as titles which may be used by chiropractors. The bill in no way affects third party payee provisions, or includes chiropractors in the definition of an "M.D."

Your Committee amended this bill to delete allowing the use of the title "chiropractic physician", because it may confuse consumers and lead them to believe that chiropractors are medical doctors. Also, technical, non-substantive changes were made to conform to the statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 721, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 803 Consumer Protection and Commerce on H.B. No. 820

The purpose of this bill is to expand the list of boards and health care professionals covered by Chapter 451D, Hawaii Revised Statutes, to include acupuncturists, massage therapists, naturopathic physicians, chiropractors, and pharmacists.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs (DCCA), as well as the Hawaii Federation of Physicians and Dentists in support of the intent of this measure.

The addition of these five boards is solely for the purposes of Chapter 451D, which authorizes the DCCA to obtain advisory opinions from the boards when consumer complaints are received regarding these specialties. The five additional boards listed above will be used by the DCCA only for disciplinary purposes. This bill will not affect the types of health care providers authorized to receive third party payments.

Your Committee made a technical, non-substantive amendment to this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 820, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 804 Consumer Protection and Commerce on H.B. No. 824

The purpose of this bill is to allow applicants who are qualified to sit for the nursing licensing exam to obtain a temporary non-renewable practical nursing permit to work until they receive the results of their licensing exam.

Currently, applicants are required to take the first licensing exam scheduled after formally completing their nursing program or graduating.

Your Committee received testimony in support of the intent of the bill from the Department of Health, the Department of Commerce and Consumer Affairs, the Hawaii Nurses' Association, and a registered nurse.

Testimony indicated that the bill applied only to practical nurses, and therefore excluded applicants seeking "registered nurse" licenses.

Your Committee has, therefore, amended the bill to cover all graduates of curriculums required for a nursing license to allow all graduates or qualified applicants, who have completed the required registered nursing or practical nursing programs, to work while waiting to take and receive the results of their licensing exams. Technical, nonsubstantive amendments were also made to correct drafting errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 824, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 824, HD 2.

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

SCRep. 805 Consumer Protection and Commerce and Judiciary on H.B. No. 2157

The purpose of this bill is to provide a new chapter in the Hawaii Revised Statutes, that authorizes the Department of Health to establish standards for utilization review or managed care in mental health, alcohol, or drug abuse treatment services and to establish a complaint resolution panel which will review the conduct of utilization review and managed care agents for mental health, alcohol, or drug abuse treatment services.

Testimony was received from the Department of Health, the Hawaii Medical Services Association, the Hawaii Dental Service, and practicing professionals in support of the bill. Testimony received from the Hawaii Psychiatric Medical Association, Hawaii Psychological Association and other practicing professionals expressed concerns that the bill did not go far enough in protecting patient confidentiality, among other concerns.

Upon further consideration, your Committees have amended this bill to reflect the consensus of those who testified in support of the measure and those who expressed concerns. Specifically, your Committees amended this bill to tighten the provisions relating to patient confidentiality and privacy by requiring that the information requested had to be pertinent to the care of the patient, rather than any and all information regarding the patient, and that it not violate patient rights.

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

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2157, HD 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2157, HD 2.

Signed by all members of the Committees except Representatives Arakaki and Peters.

SCRep. 806 Consumer Protection and Commerce and Judiciary on H.B. No. 411

The purpose of this bill is to amend Section 281-32.5, Hawaii Revised Statutes, by requiring permits from the Liquor Commission for trade shows and other exhibitions.

Your Committees heard supporting testimony from the Honolulu Liquor Commission.

Presently, trade exhibitors and other exhibitors may apply for a permit from the Liquor Commissioner to display or sample liquor; however, they are not required to do so. This usually arises at food and product shows involving sampling of wholesale products.

This bill will make it mandatory that the trade exhibitor or other exhibitors apply for a permit. Sanctions within the current statutes will then apply.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 411 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 807 Consumer Protection and Commerce on H.B. No. 1989

The purpose of this bill is to provide condominium owners a clear, simple and inexpensive procedure for handling disputes over fee assessments claimed by the association. This bill would also make a condominium owner liable for reasonable attorney's fees if the owner files a suit without first making a good faith effort to resolve the dispute of the assessments through mediation or arbitration.

The Department of Commerce and Consumer Affairs, the Hawaii Independent Condominium, and Co-Operative Owners testified in support of this bill, pointing out the problems that have arisen under the current statute. Disputes have

occurred, sometimes over small amounts, and gone to trial or escalated needlessly, resulting in expenses to both the condominium owner and the association.

The Hawaii Association of Realtors, the Hawaii Council of Associations of Apartment Owners, and the Hawaii State Bar Association testified in opposition to this bill, particularly because they read the bill to impinge upon the association's rights to file liens on condominium owners in a timely manner.

The intent of this bill is to encourage both the owner with the dispute and the association to enter into mediation or arbitration before escalating the dispute or having to go to trial. This bill is not intended to dilute the authority of the association to collect the assessment from the owners, even if disputed, or to affect the right of the association to file a lien. However, the bill clearly allows the owner to get a refund of the disputed assessment upon resolution of the dispute.

Accordingly, your Committee has amended the bill to clarify these provisions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1989, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 808 Judiciary on H.B. No. 936

The purpose of this bill is to require any state or county agency receiving grants or loans from the State Water Pollution Revolving Fund to mandate the installation of approved low flow water fixtures in all new residential and public buildings beginning July 1, 1993.

Your Committee received testimony on behalf of the Board of Water Supply, the State Department of Health, and the Department of Business, Economic Development, and Tourism. Your Committee finds that low flow water fixtures and devices which have been tested and used nationally for many years are available and do not cost significantly more than other conventional plumbing fixtures. Low flow fixtures will result in a magnitude of water conservation and wastewater minimization that will not only conserve our limited fresh water resources, but produce a significant savings to the people of Hawaii.

Your Committee has amended this bill by eliminating the redundancy of the approval of the Director of Health and to correct the reference to the American National Standards Institute. Technical, nonsubstantive amendments have also 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. 936, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 936, HD 2.

Signed by all members of the Committee.

SCRep. 809 Judiciary 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 land 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 this measure was submitted by the Office of Hawaiian Affairs.

A technical, nonsubstantive amendment was made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 2100, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2100, HD 1.

Signed by all members of the Committee.

SCRep. 810 Judiciary on H.B. No. 925

The purpose of this bill, as received by your Committee, is to amend Chapter 342N, Hawaii Revised Statutes, by adding and clarifying provisions to ensure the proper management and disposal of used oil.

Recent incidents on Oahu involving the contamination of the environment by 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.

The enactment of this measure would ensure that the recycling of used oil is properly managed from the point of generation, through the transporting chain, and finally, to the point of final disposition for burning.

Testimony in support of this measure was submitted by the Department of Health.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 925, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 925, HD 2.

Signed by all members of the Committee.

SCRep. 811 Judiciary on H.B. No. 922

The purpose of this bill is to amend Chapter 342 to make clear that violations of environmental laws that extend over multiple days will be penalized as a separate offense each day the violation remains unabated. The bill also allows the first three million dollars obtained from fines and penalties to be deposited into the Environmental Revolving Fund.

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

Your Committee finds that it is not the intent of the existing law to have caps on the penalties paid by polluters for a violation or multiple violations that extend over more than one day.

Your Committee finds that a large State response fund, which can be accessed in a reasonably rapid manner, will aid the State in the clean-up of releases of hazardous substances which may endanger the public or environment. The response fund will also allow the State adequate resources to seek recovery of costs from the responsible party.

Your Committee has made technical, nonsubstantive amendments for the purpose of clarity, style and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 922, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 922, HD 1.

Signed by all members of the Committee.

SCRep. 812 Judiciary on H.B. No. 64

The purpose of this bill, as received by your Committee, is to repeal Chapter 342F, Hawaii Revised Statutes (HRS), and allow the counties of Hawaii to adopt codes that will control noise within their respective jurisdictions.

Your Committee received testimony from the Department of Land Utilization of the City and County of Honolulu, the Department of Health, the Environmental Center, and a private citizen.

The City and County of Honolulu (City) is concerned that the passage of this measure would not provide sufficient time for the City to adequately adopt and implement appropriate ordinances that would regulate noise control. Moreover, the City noted that the lack of sufficient time necessary for implementation may leave Oahu without noise control for an indefinite period. The City also testified that they do not have the necessary equipment or trained personnel to monitor and enforce noise control.

The Department of Health, however, has devised a statewide noise control program and has expressed willingness to continue its efforts in this area.

Your Committee therefore, has amended this bill by:

- (1) Restoring the provisions of H.B. 64 as originally introduced which would mandate that the Department of Health adopt a State community noise code pursuant to Chapter 91, HRS; and
- (2) Changing the date on which the Act takes effect to July 1, 1992.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 64, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 64, HD 2.

Signed by all members of the Committee.

SCRep. 813 Judiciary on H.B. No. 11

The purpose of this bill, as received by your Committee, is to amend the definition of a total loss insurance salvage rebuilt vehicle.

Your Committee received testimony in favor of the measure from the Department of Transportation, the Honolulu Police Department and the Motor Vehicle Repair Industry Board.

Your Committee finds that automobiles with damage to only the engine or transmission have been labeled as a total loss if the cost of repair to the automobile exceeds the value of the vehicle. Your Committee finds that labelling such vehicles as an "Insurance Salvage Rebuilt Vehicle" is unnecessary.

Your Committee has amended this bill by deleting police officers from the list of those who can declare a rebuilt vehicle a total loss since police officers are not trained to determine whether a motor vehicle structure has been damaged or what it will cost to repair.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 11, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 11, HD 1.

Signed by all members of the Committee.

SCRep. 814 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 nonpartisan.

Your Committee heard testimony in support of the bill from the Downtown Neighborhood Board No. 13, the Democratic Party of Hawaii, 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 has amended this bill by adding the phrase "within sixty calendar days following the first day of vacancy" to section 1 regarding vacancies in the State Senate in order to conform it to section 2 which addresses State Representatives. Your Committee also made clear in section 2 that a nonpartisan is to be appointed to replace a Representative who is nonpartisan. Technical, nonsubstantive amendments have also 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. 201, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 201, HD 1.

Signed by all members of the Committee.

SCRep. 815 Judiciary on H.B. No. 1201

The purpose of this bill is to provide for an evaluation of the feasibility of off hour constructions for all public contracts that will cause traffic congestion, delay, or closure of a traffic lane.

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

Your Committee finds that daytime traffic construction causes significant traffic congestion and that a better alternative is needed. Your Committee further finds off hour traffic construction occurring from six o'clock p.m. to six o'clock a.m. would reduce traffic congestion and needs to be fully investigated to evaluate its feasibility.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1201, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1201, HD 1.

Signed by all members of the Committee.

SCRep. 816 Judiciary 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. This bill amends Section 188-29, Hawaii Revised Statutes (HRS), by making it unlawful for any person to use nets made of, or using netting, or bullpen traps with a stretched mesh of less than two and three-fourth inches after December 31, 1993. Current law prohibits a stretched mesh of less than two inches.

The amendment to Section 188-29, HRS, should allow smaller sized fish to escape capture and grow to larger sizes before being harvested.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

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

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

Signed by all members of the Committee except Representative Peters.

SCRep. 817 Judiciary on H.B. No. 1023

The purpose of this bill, as received by your Committee, is to remove the repeal date of Act 342, Session Laws of Hawaii 1986, to make permanent the current legal drinking age of twenty-one years old.

Your Committee received testimony in support of this bill from the Department of Transportation, Mothers Against Drunk Driving, the Hawaii Medical Association and the Honolulu Police Department. The foregoing testifiers cited certain statistics indicating decreases in accidents involving eighteen to twenty year olds and alcohol related accidents. The State agencies also expressed a concern that federal highway funds amounting to approximately nine million dollars would be lost if the legal drinking age were lowered.

Your Committee received testimony opposing the bill from the Hawaii Food and Beverage Association, the Retail Liquor Dealers Association of Hawaii, and a representative from Wave Wakiki and other night clubs. The testifiers expressed concern that the current legal drinking age of twenty-one years old, creates a double standard for anyone aged above eighteen, the legal age of majority, and below twenty-one and results in discrimination against them. The testifiers are of the opinion that a reasonable alternative would be to make uniform the legal drinking age and the age of majority.

Your Committee finds discrepancies in the statistics exhibited by testifiers in support of the bill. Your Committee further finds that Act 342, 1986, required the Department of Transportation to submit a study, consisting of two reports, one due in 1988 and the other due in 1991. The study was to evaluate the effectiveness of Act 342 and include, but not be limited to, information and recommendations relating to the extent to which Act 342 has reduced accidents, injuries, and fatalities caused by driving under the influence of intoxicating liquor, and the extent to which compliance has been achieved with this Act.

Your Committee further finds the Department of Transportation failed to submit essential information as required by Act 342. Your Committee has therefore amended this bill by extending the sunset provision for two years to await the Department of Transportation's compliance with the original provision of Act 342. Your Committee has further amended this bill to include a section outlining the Department of Transportation's responsibilities.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1023, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1023, HD 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 818 Judiciary on H.B. No. 205

The purpose of this bill, as received by your Committee, is to amend Section 801D-4, Hawaii Revised Statutes, by requiring the Department of Public Safety to provide notification of an offender's escape to the victim and the immediate, surviving family members of the victim of the crime.

This amendment is an attempt to further protect the safety and well-being of victims and surviving family members by mandating the prompt notification that offenders have escaped into the community.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women and the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee has amended the bill for the purpose of clarity by moving the reference to escape and further specifying that the bill refers to an escape by the offender.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 205, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 205, HD 1.

Signed by all members of the Committee.

SCRep. 819 Judiciary 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 received supporting testimony from the Department of the Attorney General, the Office of the Prosecuting Attorney, the Department of Health, the Department of Transportation and the Mothers Against Drunk Driving. Your Committee also received opposing testimony from the American Civil Liberties Union and the Office of the Public Defender.

Your Committee finds that many individuals on our roadways are stopped every year due to erratic driving behavior which police believe is due to alcohol or drugs. Upon testing for alcohol they discover that many of these individuals do not have any trace of alcohol. This bill would allow police officers who have probable cause to believe a driver is under

the influence of drugs to require the person to submit to a blood test and thus help to discourage the dangerous practice of driving while under the influence of drugs.

Your Committee has amended this bill in the following manner:

- (1) Sections 1 and 2 were added to provide for sanctions for refusing to submit to testing and to establish the procedure by which the sanction will be imposed. Accordingly, the remaining sections were renumbered.
- (2) Section 8 was changed from "medical services" to "laboratory services". Also, police officers were deleted from the definition of persons authorized to draw blood.
- (3) Section 11(e) was changed to require the arrestee to also make restitution for the taking of the blood specimen.
- (4) In sections 3 and 4, "or a hospital phlebotomist" was replaced by "or a phlebotomist deemed qualified by a hospital" since phlebotomists are not licensed.
- (5) The effective date was changed from 1991 to 1992 to allow more time to create or modify administrative rules to encompass drugs.
- (6) Section 7 was amended to allow blood test results to only be used for prosecutions under Section 291-7 of the Hawaii Revised Statutes.
- (7) Section 2(d) was amended to require the blood test regardless of whether the person previously submitted to a breath test if the police officer has probable cause to believe the person is driving while under the influence of drugs.
- (8) Technical, nonsubstantive amendments were made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1884, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1884, HD 2.

Signed by all members of the Committee except Representative Peters.

SCRep. 820 Judiciary on H.B. No. 153

The purpose of this bill, as received by your Committee, is to include the terroristic threatening of persons employed by private schools in the definition of terroristic threatening in the first degree.

Your Committee received supporting testimony from the State Department of Education and the Honolulu Police Department. Your Committee finds that the current Penal Code does not identify a private school educator as being a public servant and therefore private school educators are not covered within the definition of terroristic threatening in the first degree. Persons employed by a private school should be afforded the same degree of protection as those employed by public schools.

Your Committee deleted the amendment which added employees of private schools and amended the current definition of terroristic threatening in the first degree to include persons employed by private schools. Technical, nonsubstantive amendments have also 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. 153, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 153, HD 1.

Signed by all members of the Committee.

SCRep. 821 Judiciary on H.B. No. 974

The purposes of this bill are 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 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.

Your Committee received testimony from the DLNR and the Hawaii Tropical Fish Association. Your Committee finds that marine organisms are valuable 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.

Your Committee has amended Section 4 of the bill to allow the taking of stony coral or any rock to which marine life is visibly attached for commercial purposes if authorized by the DLNR.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 974, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 974, HD 2.

Signed by all members of the Committee.

SCRep. 822 Judiciary on H.B. No. 788

The purpose of this bill is to provide the Department of Agriculture with additional powers to ensure its ability to implement its plan to eradicate pests that pose a threat to Hawaii's agriculture and environment.

Your Committee received testimony in support of the bill from the Department of Agriculture, the Hawaii Farm Bureau and Oahu Banana Growers Association and the Hawaii Papaya Industry Association. The foregoing witnesses expressed concern that landowners occasionally are reluctant or refuse to cooperate with the Department of Agriculture's plans to control and eradicate pests. Pests such as banana bunchy top disease and papaya ringspot virus remain uncontrolled and may spread throughout the island.

Your Committee finds that providing a legal means to enter property to investigate infestation of pests when owners refuse access will help safeguard Hawaii's economy and environment. Your Committee also finds that penalizing landowners by assessing them the expenses accrued for pest control or eradication on their premises and fining them for not cooperating with the Department of Agriculture's demands will aid in the enforcement of pest control plans.

While in agreement with the intent of the bill to provide for fines and penalties to motivate cooperation, your Committee believes it inappropriate that an administrative rule has a wider range of monetary fines for a first time offender as compared to the fine for a repeat offender because it allows for excessive discretionary application in first offenses. Your Committee has therefore amended the bill to provide for a maximum fine of \$500 for the first offense.

Your Committee has further amended the bill by changing "programs" to "program" on page 3, line 6, for the purpose of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 788, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 788, HD 2.

Signed by all members of the Committee.

SCRep. 823 Judiciary on H.B. No. 195

The purpose of this bill is to amend the statutes governing the adoption and amendment of county charters by:

- (1) Requiring a majority of all ballots drawn be voted in favor of an amendment for ratification, rather than simply a majority of all ballots cast; and
- (2) Requiring that blank and spoiled ballots be included in determining the majority of votes needed to adopt and amend county charters.

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.

Currently, 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. By excluding spoiled and blank ballots, a portion of the electorate could potentially be eliminated from the decision-making process.

This amendment would ensure that ratification requirements for adopting and amending county charters and the State Constitution are consistent as well as encourage greater electorate participation in the county decision-making process.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor, the City and County of Honolulu, the County of Maui, the Hawaii State Association of Counties, and the Association of Clerks and Election Officers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 195, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 824 Judiciary 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".

This is a general housekeeping measure to replace the term "venereal disease" with the more conventionally accepted term "sexually transmitted disease", which would broaden the range of diseases to include those diseases which may be

transmitted by sexual behavior as well as other modes of transmissions, such as HIV, hepatitis B, and some enteric pathogens. This change will not alter existing procedures or the workload of the program.

Your Committee received testimony in favor of this bill from the representatives of the Department of Health and the Hawaii Federation of Physicians and Dentists.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 935 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 825 Judiciary on H.B. No. 976

The purpose of this bill is to authorize the Board of Land and Natural Resources to set, charge and collect additional rentals for the violation of the statute relating to public lands, retroactive to the date of occurrence of the violation.

Your Committee received testimony from the Department of Land and Natural Resources. Your Committee finds that the Board of Land and Natural Resources should be allowed to retroactively charge and collect any additional rental payments which may be warranted as a result of a violation of the terms and conditions of a lease, license, easement or revocable permit.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 976 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 826 Judiciary 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 enforcement officer of the State to examine and inspect the contents of:

- (1) Any fishing bag used to carry fish catch; or
- (2) Any vehicle or other conveyance used to transport the catch.

The amendment of Chapter 187A, Hawaii Revised Statutes, will allow for the inspection of the catch which is essential to determining compliance with Hawaii's fishing laws.

Testimony in support of this measure was submitted by DLNR.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 949, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 827 Judiciary 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 received testimony from the Department of Health and the Department of Transportation. Your Committee finds that alcohol abuse must be eliminated for those who operate aircrafts. Your Committee also finds that requiring a breath or blood test will help to eliminate such alcohol abuse and thus promote the safety of air travel.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1025, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 828 Judiciary 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 (Commission) may impose for violations of the State Water Code.

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 landowners, 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 in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 40, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 829 Judiciary 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.

The State and the counties have discussed the transfer of certain parks for a number of years and the State and counties have reached a general agreement on these transfers.

Testimony in support of this measure was submitted by the Department of Transportation and the Kaimuki Neighborhood Board No. 4.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1037, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 830 Judiciary on H.B. No. 1036

The purpose of this bill is to amend Section 264-13, Hawaii Revised Statutes, to provide that the Governor or the Director of Transportation (Director), as the Governor's designee, may dispose of easements and access rights within and along the state highways. Under current law, the Director may dispose of easements and access rights, "subject to the approval of the governor."

Your Committee received testimony in support of this measure from the Department of Transportation (Department), which expressed concern that the Department needs more discretion than is authorized under current law to facilitate the disposal of easements and access rights.

Your Committee finds that the passage of this bill will expedite the disposal of easements and access rights within and along State highways.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1036, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 831 Judiciary on H.B. No. 1594

The purpose of this bill is to clarify that speaking on legislative matters is part of the official duties and responsibilities of legislators and that the acceptance of honorariums for such engagements is prohibited.

Your Committee received testimony in support of this bill from the State Ethics Commission and interested individuals. The State Ethics Commission believes that it is an appropriate ethical standard to prohibit legislators from accepting honorariums when speaking on legislative matters, even if accepting the engagement was within the legislator's discretion. The interested public expressed concern that speaking on legislative matters is a part of the legislator's duties and responsibilities and that legislators should not be compensated for such speeches.

Your Committee finds that the terms "consideration" and "compensation" can be subjected to varying interpretations, therefore, your Committee has amended the bill to indicate that those terms do not include reasonable travel, lodging, or meal expenses.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1594, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 832 Judiciary on H.B. No. 1927

The purpose of this bill, as received by your Committee, is to extend statute of limitations for actions based on childhood sexual abuse to include three years after the person discovers or reasonably should have discovered that the injury was caused by the act of childhood sexual abuse.

Your Committee received testimony on behalf of the Hawaii Women Lawyers and finds that childhood sexual abuse can remain undiscovered for many years because it is repressed by the child. These abused children should not lose their cause of action because of these repressed feelings. Therefore, this measure will ensure that their cause of action is preserved.

Your Committee has amended this bill as follows:

- (1) The limitation for bringing the cause of action has been changed from three years to two years to conform to the statute of limitations for personal injuries.
- (2) Paragraph (1) which set out a limitation period of six years after the act of abuse, was deleted since this was inconsistent with paragraph (2). Accordingly, the reference to calculating the six years was also deleted.
- (3) The reference in paragraph (2) to "reasonably should have discovered" was deleted because the acts of abuse can be repressed for long periods of time.
- (4) Technical, nonsubstantive amendments have also 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. 1927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1927, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 833 Judiciary on H.B. No. 1891

The purpose of this bill is to amend Section 584-6, Hawaii Revised Statutes (HRS), to clarify and define those persons or entities who may file a paternity action. This bill also amends references to the time within which a paternity action may be filed and conforms it to the language of Section 584-7, HRS, relating to the statute of limitations for paternity actions.

Your Committee received testimony in support of this measure from the Offices of the Corporation Counsel of the City and County of Honolulu and the County of Hawaii. The foregoing witnesses expressed concern over the inequities between Sections 584-7, "Statute of Limitations" relating to paternity actions, and 584-6, "Determination of father and child relationship; who may bring action; when action may be brought", and the need to conform Section 584-6 to the language of 584-7. The testimony also indicated that frequently individuals sign birth certificates for romantic reasons thereby becoming the child's "presumed father" by law. These indiscriminate practices have caused difficulties in bringing paternity actions where the mother's husband or companion, the "presumed father", is hard to locate, as the court will not proceed without his waiver.

The Judiciary submitted testimony but takes no position on the merits of this measure. However, regarding the mechanism by which notice to the "presumed father" may be waived, the Judiciary expressed concern that too much weight might be given to the mother's assertions and that the "presumed father" may be denied due process based on the mother's statements. Furthermore, those same statements may be used to override the defenses asserted by the alleged father.

Your Committee is in agreement with the concerns of the Judiciary and therefore has amended the bill by adding the right of the presumed father to bring an action to establish the existence or nonexistence of the father and child relationship. Your Committee has further amended the bill by substituting the word "birth" for the word "conception" in recognition that the period of gestation of a child is less than 300 days. Thus, a married woman who has not had sexual contact with her spouse at least three hundred days prior to the child's birth can safely allege that her spouse is not the father of her child.

Your Committee finds that this bill, as amended, will result in persons having a direct interest being able to file a paternity action without great difficulty and will allow for the processing of paternity actions involving children born to married women who are no longer in contact with their spouses.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1891, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 834 Judiciary on H.B. No. 363

The purpose of this bill is to amend Section 709-906, Hawaii Revised Statutes, to give police authority to order a domestic abuser to stay away from the victim's residence for up to forty-eight hours.

Your Committee has received favorable testimony from the Judiciary, the Honolulu Police Department, the Hawaii Women Lawyers, family law attorneys engaged in private practice, and several individuals who related personal experiences of spouse abuse and domestic violence. The aforementioned witnesses expressed concern that ample time and opportunity be available to abused spouses in order to obtain a temporary restraining order or to find shelter away from the abusive spouse.

While in agreement with the intent of the bill, your Committee believes that forty-eight hours in every case may be unnecessary. Your Committee has therefore amended the bill to provide for a cooling off period of twenty-four hours. However, your Committee recognizes that on the weekends and during holidays the courts are not in operation and it is therefore impossible for the abused person to obtain a temporary restraining order. Therefore, despite the seeming anomaly, your Committee has decided that when a police officer orders a cooling off period after 4:30 p.m. on a weekend or holiday, the twenty-four hours shall be computed as commencing at 8:00 a.m. on the first day following the weekend or holiday. Your Committee has further amended this bill by adding a provision that sunsets this proposed Act on June 30, 1993.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 363, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 835 Judiciary on H.B. No. 941

The purpose of this bill is to add a new chapter to Hawaii Revised Statutes regarding facilities for the homeless, and to make appropriate corresponding changes to Section 46-1.5, Section 171-43.1, Section 237-23(a), Section 346-152(a), Section 467-2, Section 480-11, Section 521-7, Section 521-8, Section 521-69.5, and Section 663-1.5, Hawaii Revised Statutes.

Your Committee received testimony in support of this bill from the Department of Human Services, the Homeless Concerns Committee, Homeless Aloha, Care-A-Van, the Salvation Army, the Institute for Human Services, the East Hawaii Coalition for the Homeless, Inc., Catholic Charities of the Diocese of Honolulu, Maui Catholic Charities, the East Side Outreach Center, the Hawaii Ecumenical Housing Corporation, Homeless Ohana Association of Hawaii, the Honolulu Community Action Program, Inc., the Kokua Council for Senior Citizens, the Governor's Committee on Aids, the Office of Hawaiian Affairs, the National Association of Social Workers, Inc., and the Hawaii Council of Churches. The foregoing witnesses expressed concern for the great need to establish housing assistance for the homeless of Hawaii.

Your Committee received testimony opposing this measure from the Hawaii Association of Plaintiffs' Attorneys (HAPA) who objected to the release of tort and products defect liability for any donor involved in donating goods for homeless facilities or programs. HAPA argued that the bill does nothing to change existing law with respect to tort liability, but with respect to product defects, the bill may result in injuring the homeless, the subject of the protection.

Your Committee is in agreement with HAPA and has amended the bill by amending section 6 of the new chapter provided under Section 1 of the bill, to provide that the State shall be responsible for the actions and conduct of donors in the event that the donor's acts or omissions should result in liability. However, your Committee has retained the language that provides for the liability of the donor in the event of wilful misconduct. Your Committee notes, however, that a donor of funds is not usually known to be liable for merely donating money. Your Committee further amended the bill by deleting all of the provisions contained in Section 11 of the bill as not being necessary.

Your Committee has further amended the bill by deleting paragraph (1) under the definition of "homeless family" in section 3 of the new chapter provided in Section 1 of the bill, to make clear that any homeless should be entitled to housing assistance and not only those registered with some assistance program.

Your Committee has further amended the bill by making technical, nonsubstantive changes merely to enhance the clarity of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 941, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 836 Judiciary on H.B. No. 923

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes to implement an integrated State asbestos program.

Your Committee received supporting testimony from the Department of Health and the PSI/Hall-Kimbrell Corporation.

Your Committee finds that the handling of asbestos-containing material can be hazardous if not done properly. Exposure to asbestos fibers can cause diseases. The asbestos program is presently limited to a federal program which manages asbestos in private non-profit schools and all public schools, and also regulates demolition and renovation activities in all buildings. Since it is necessary to protect the general public from exposure to asbestos and this will be a continuing need, it is the goal of the State to be delegated this program from the federal government so that the State will have more control over the program. Delegation of the federal program will allow for an expansion of the existing program to address not only asbestos in schools, but also asbestos in public and commercial buildings and disposal issues. Delegation of the enforcement program will also result in the enforcement program being subject to State laws and regulations.

Your Committee has amended this bill in the following manner:

- (1) The criminal penalties for violating Department of Health rules were deleted from sections 23 and 24;
- (2) The criminal penalties for making false statements were reduced in section 25, and a provision was added for a civil penalty of up to \$20,000;
- (3) Section 30, relating to immunity from criminal liability for Department personnel was deleted; and
- (4) Technical, nonsubstantive amendments were made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 923, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 923, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 837 Judiciary on H.B. No. 2210

The purpose of this bill, as received by your Committee, is to require the finder of an animal to notify the owner or an animal control officer. This bill also makes theft of a pet a misdemeanor.

Your Committee received supporting testimony from the Hawaiian Humane Society and finds that there has been a problem with animals being stolen or lost.

Your Committee has amended this bill in the following manners:

- (1) The definition of "pet" was deleted to make this bill apply to "any animals".
- (2) A new section was created for lost or rescued animals along with a civil penalty.
- (3) A new definition of "theft of an animal" was added.
- (4) The penalty for theft of an animal was changed to allow the court to impose either a fine or community service at the court's discretion. Also, the classification of this offense was changed from a misdemeanor to a petty misdemeanor.
- (5) 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. 2210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2210, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 838 Judiciary on H.B. No. 595

The purpose of this bill, as received by your Committee, is to:

- (1) Clarify notification procedures regarding requests to inspect adoption records;
- (2) Allow the adopted child to request that adoption records be kept confidential; and
- (3) Define the term "natural parent."

Testimony in support of this measure was submitted by the Judiciary and the Adoption Circle of Hawaii.

Your Committee has amended this bill by:

- (1) Mandating that the search for the natural parent shall not exceed 180 calendar days if the notice is returned as undeliverable;
- (2) Changing the effective date of the bill from January 1, 1992 to upon approval; and
- (3) Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 595, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 839 Judiciary on H.B. No. 648

The purpose of this bill, as received by your Committee, is to extend indefinitely the provisions of Act 2, First Special Session Laws of Hawaii 1986, by eliminating the sunset provision.

Your Committee received testimony in support of this measure from the Office of the State Attorney General, the Hawaii Independent Insurance Agents Association, the Chamber of Commerce, the Hawaii Tort Reform Coalition, the Hawaii Medical Association, and the Statewide Medical Alliance for Reform of Torts.

Your Committee finds that insurance availability and affordability were major issues in 1986. Since the Tort Reform Law was passed, the crisis has abated. Moreover, the abolition of joint and several liability and the limits on pain and suffering have yet to reveal their full impact since the legal issues involved with those provisions have not been extensively litigated. Your Committee finds it appropriate, however, to extend the law to allow the Legislature to re-evaluate or reassess the efficacy of its provisions.

Your Committee has amended the bill by extending the sunset provision by two years, instead of eliminating the provision, to allow for more time for evaluation of the Tort Reform Law of 1986.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 648, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 840 Judiciary on H.B. No. 1063

The purpose of this bill is to give members of the public the standing to sue in the courts of this State to enforce laws and regulations intended to protect the environment.

Your Committee received testimony on behalf of the Blue Ocean Preservation Society and finds that citizens and public interest groups have had difficulty in being recognized by the State in representing general environmental interests which affects all of us.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1063 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 841 Consumer Protection and Commerce and Judiciary on H.B. No. 531

The purpose of this bill is to change the fine for driving without no-fault insurance from \$1,000 to not more than \$1,000 nor less than \$500 for the first offense.

Your Committees received testimony from the Department of Commerce and Consumer Affairs, the Hawaii Independence Insurance Agents Association, and the Office of the Public Defender.

Your Committees considered the high amount of the current fine, and noted that the amendment only applies to first offenses. Concern was expressed over first offenders who were ignorant of the law, unable to pay etc. but who will obey the law if charged \$500, also a sizeable amount. Subsequent violators will still result in a minimum of \$3,000 fine.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 531 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Peters.

SCRep. 842 Consumer Protection and Commerce on H.B. No. 1045

The purpose of this bill is to extend the authority of the Public Utilities Commission (PUC) to investigate and cite persons engaged in unlawful public utility, motor carrier, and water carrier activity. This bill also specifies fines and citation procedures to be used by the PUC for those who fail to obtain the proper permits, licenses, or certificates.

The Hawaii Transportation Association and the PUC testified in support of this bill. With the proper authority to investigate and cite persons who do not comply with the public utility and motor and water carrier laws, the PUC will be able to properly conduct its enforcement responsibilities. Under the current statutes the PUC did not have this authority.

Your Committee amended this bill, as suggested by the PUC, to authorize the commission to employ exempted staff to carry out the enforcement function and to hire an economist to evaluate the increasingly complex utility filings. Technical and non-substantive amendments were also made.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1045, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 843 Consumer Protection and Commerce on H.B. No. 1776

The purpose of this bill, as received, is to require psychologists to provide a copy of an employee's psychological evaluation report to the employee, along with the opportunity for the employee to comment on the report.

It was brought to your Committee's attention that employers have retained psychologists for the purpose of evaluating persons for employment, promotions, and terminations. These psychologists may either be hired locally or from out-of-state. A psychologist from out-of-state may not be aware of the diverse cultural influences and the local customs found in Hawaii and therefore may not take them into consideration when preparing his evaluation. In fairness to the employee, the employee should be provided with a copy of the evaluation.

Your Committee heard testimony from the Board of Psychology and the Hawaii Psychological Association.

Your Committee finds that the placement of this bill is inappropriate. Chapter 465, Hawaii Revised Statutes, is a licensing law regulating psychologists. As such, it defines the scope of practice and sets standards to insure that persons licensed to practice psychology are competent to do so. However, this bill is a condition of the employer-employee relationship.

Therefore, your Committee has amended the placement of this bill by moving it to Chapter 378 relating to Labor and Industrial Relations.

Your Committee further amended the bill to exclude the provision that the employee be afforded the opportunity to attach comments to the evaluation. Upon further consideration, your Committee felt that it was important to promote a positive employer-employee relationship. If the employer submits a copy of the evaluation to the employee, this should promote discussion between the employer and employee, and, therefore, the statute need not specify that the employee be afforded the opportunity to provide written comments.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1776, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 844 Consumer Protection and Commerce on H.B. No. 760

The purpose of this bill is to extend Act 214, Session Laws of Hawaii 1990, by deleting the Act's repeal date of June 30, 1991, and to amend the Act to prohibit activity brochures that do not clearly display the name and telephone number of the activity provider.

Legislation was passed in 1990 to prohibit activity desks from concealing the name of any activity provider on any card or brochure, or from giving any information on an activity desk in any advertising material produced by an activity provider which does not identify the activity desk by name. The legislation is due to sunset on June 30, 1991. This bill would extend the Act, creating a permanent chapter in the Hawaii Revised Statutes. This bill adds a new requirement that all brochures include the name and telephone number of the activity provider whose activity is being sold or booked.

Your Committee heard supporting testimony from the Offices of the Mayors of the County of Maui and the County of Kauai, Activity Owners Association of Maui and Kauai, Maui Classic Charters, Gent-lee Fishing and Sightseeing Charters, Maui Commercial Boaters and Ocean Affiliated Transportation, Activity Owner's Association of Hawaii, Trilogy, Maui Downhill, Lahaina Diver, Inc., Sunshine Helicopters, and Safari.

Your Committee heard testimony about problems regarding the solvency of many activity desks. While there may be a need to require activity desks to obtain bonding or open trust accounts, no language was provided for your Committee's consideration in the time available. Your Committee notes that this may be an area for further consideration during the time available in this legislative session.

Your Committee has amended the bill to provide definitions for "activity association" and "violation" to enhance the enforceability of the statute and to authorize activity associations to have standing to file suits for injunctive relief. They will also be entitled to reasonable attorneys' fees and costs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 760, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 845 Consumer Protection and Commerce on H.B. No. 1993 (Majority)

The purpose of this bill is to amend Section 431:3-301 of the Insurance Code to require each authorized insurance company to file annually with the Insurance Division an independent audit by an independent certified public accountant or accounting firm, of the company's financial condition.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs (DCCA), Hawaiian Insurance Group, First Insurance Company, and AIG Hawaii Insurance Company, Inc.

Currently, domestic insurance companies are examined by the Division every three years. This bill will ensure that a company's financial condition is reviewed by an outside party in the years between Division examinations and will give the Insurance Division an ongoing and accurate picture of an insurance company's financial condition.

This bill is based on a National Association of Insurance Commissioners (NAIC) model rule requiring annual audited financial reports. Twenty-two states currently require annual audits and twenty-two others are seeking this requirement in 1991, to meet the NAIC rule. The rule is an NAIC solvency policing item and is a prerequisite for the Division's accreditation standards. The Insurance Division is presently seeking NAIC accreditation for its regulatory program.

Your Committee amended this bill to incorporate the Insurance Commissioner's suggestions that the audit apply only to domestic insurance companies. This amendment will still meet the NAIC criteria.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1993, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.
(Representative Ward did not concur.)

SCRep. 846 Consumer Protection and Commerce 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 amended this bill to provide that the effective date of a merger or consolidation cannot be a date beyond thirty days of the filing of the articles of merger or consolidation.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2082, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2082, HD 2.

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

SCRep. 847 Consumer Protection and Commerce 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 on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1691 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 848 Water, Land Use and Hawaiian Affairs and Transportation on H.B. No. 1484

The purpose of the bill is to provide that the Governor must appoint a person from a list of three members of the Maritime Affairs Committee of the Chamber of Commerce of Hawaii as one of the public members of the Hawaii Community Development Authority.

Your Committees received testimony opposing this measure from the Hawaii Community Development Authority, who believes the Director of Transportation, a present ex officio member of the Board, adequately represents the interests of the commercial maritime community.

The Downtown Neighborhood Board No. 13 testified that it believes at least two of the seven members of the Board should be persons who live and work in Kakaako, based on the premise that those who are most affected by the decisions of the Board should have a say in them.

Hawaiian Tug and Barge and the Maritime Affairs Committee of the Chamber of Commerce of Hawaii testified in favor of the bill. Their testimony emphasized the importance of the commercial maritime activities in and around Honolulu Harbor to the State of Hawaii. The testimony pointed out that the actions of the Hawaii Community Development Authority would impact the commercial maritime activities in and around the harbor and thus the Hawaii Community Development Authority should include someone from the commercial maritime community and the Maritime Affairs Committee of the Hawaii Chamber of Commerce was best able to represent the interests of the commercial maritime community.

While in agreement with the intent of the bill to provide representation of the viewpoint of the commercial maritime community, your Committees feel that the Governor's choice should not be limited to members of a particular

organization. Your Committees have amended the bill by removing reference to the Maritime Affairs Committee of the Chamber of Commerce of Hawaii.

Your Committees have also amended the bill to change possibly conflicting language stating that the appointment must be made at the first vacancy. Section 206E-3, Hawaii Revised Statutes, provides that certain members of the Board are ex officio and certain members must be appointed from a list of county recommendations. If a vacancy occurred among those members it should be clear that they will not be replaced by a member of the maritime community. Thus the language has been changed to say that the member of the maritime community will be the first appointment to the Board that is not required to be from a list of county recommendations.

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

Your Committees on Water, Land Use and Hawaiian Affairs and Transportation are in accord with the intent and purpose of H.B. No. 1484, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1484, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 849 Water, Land Use and Hawaiian Affairs on H.B. No. 891

The purpose of this bill, as received by your Committee, is to exclude golf courses and driving ranges as permitted uses on agricultural lands classified as overall (master) productivity rating class C, D, or E under the Land Study Bureau's detailed land classification system by amending subsection (d) of Section 205-2, Hawaii Revised Statutes relating to uses within agricultural districts.

Act 298, Session Laws of Hawaii 1985, added a provision which allowed golf courses and driving ranges as permitted uses in the State agricultural district on C, D, and E lands as classified by the Land Study Bureau. Subsequent development of golf courses and golf driving ranges has led to the displacement of bona fide farming operations.

Your Committee finds that supporting uses which often accompany golf course and golf driving ranges are urban in nature and may include clubhouses, accessory buildings and parking facilities. In addition, there appears to be an increasing trend towards development of golf courses facilities in conjunction with residential projects in remote areas. Developments of this nature cause an undue burden on the provision of government services and facilities the deficiency of which should be somehow recovered by the state and county affected to the extent of the impact caused by the development of a golf course.

The current law which allows golf courses and driving ranges as permitted use within the State agricultural district on C, D, and E lands discourages public comment and participation in the decision-making process. Under the proposed bill, consideration of golf course and golf driving ranges proposals would take place through either special permit or district boundary amendment process and would more appropriately allow these proposals to be examined on a case-by-case basis with opportunity for public input in keeping with the State's interests regarding the disposition of agricultural lands.

Your Committee has amended the bill by adding a new subsection (k) to Section 205-4 to provide that any sums offered and contributed by the petitioner for any community need for additional facilities or service created by the development of the golf course under an agreement between the petitioner and the Office of State Planning and the County Planning Department as a condition of reclassification concerning the boundary change to allow development of a golf course shall be distributed equally between the state and the county to be expended for such community need.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 891, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Alcon, Bunda and O'Kieffe.

SCRep. 850 Water, Land Use and Hawaiian Affairs on H.B. No. 202

The purpose of this bill is to discourage scattered, low-density residential development and artificially high non-urban land values by limiting the number of dwelling units which can be built within new subdivisions and condominium property regimes located in the agricultural district.

Your Committee received testimony from the Department of Agriculture, the Office of State Planning, the Hawaii Farm Bureau Federation, the Land Use Research Foundation of Hawaii, and Life of the Land.

The Department of Agriculture testified that five acres is a viable farm unit size for certain intensive diversified agricultural activities. In addition, many State agricultural parks consist of five-acre farm lots with farm dwellings. The Department further noted that other farmers not in State agricultural parks may need to provide worker housing as an incentive to attract farm labor.

Your Committee has amended this bill by:

- (1) Reducing the required acreage on which one dwelling unit can be built from fifteen acres to five acres;
- (2) Exempting agricultural parks and agricultural employee housing from the provisions of this bill;

- (3) Allowing one single-family dwelling unit on any legal lot developed in accordance with a regional plan adopted by a county prior to the effective date of this bill;
- (4) Amending the first sentence of Section 205-5(b), Hawaii Revised Statutes, to provide that uses within an agricultural district shall be agricultural activities or accessory to agricultural activities described in Section 205-2(d). Current law requires compatible uses;
- (5) Re-wording the purpose section to reflect the amendments made to the bill; and
- (6) Making technical, nonsubstantive amendments.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 202, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Alcon, Bunda and O'Kieffe.

SCRep. 851 Water, Land Use and Hawaiian Affairs on H.B. No. 1972

The purpose of this bill, as submitted to your Committee, is to amend Chapter 205, HRS, by:

- (1) Deleting the references to A, B, C, D, E, or U lands in Section 205-4.5; thus restricting uses on all lands in the agricultural district to those listed in Section 205-4.5, HRS;
- (2) Providing language which specifically excludes golf courses and golf driving ranges from the agricultural district;
- (3) Deleting a provision that requires that subdivision of land within the agricultural district be conditioned so that uses are primarily in pursuit of agricultural activities;
- (4) Including watersheds as a permitted use in the agricultural district; and
- (5) Requiring the Land Use Commission to consider the impact of proposed reclassifications on the preservation and enhancement of watershed and forest and scrub vegetation.

Your Committee received testimony from the Office of State Planning (OSP), the Department of Land and Natural Resources, the Board of Agriculture, the Hawaii County Planning Department, the Land Use Research Foundation of Hawaii, the Moku Loa Hawaii Chapter of the Sierra Club, the Hawaii Audubon Society, Shanti Devi, the West Hawaii Chapter of the Sierra Club, the City and County of Honolulu, the Estate of James Campbell, the Land Use Planning Committee of the Chamber of Commerce of Hawaii, and the Hawaii Resort Developers Conference.

Your Committee is considering other bills which amend Section 205-2, HRS, to exclude golf courses and golf driving ranges as permitted uses within agricultural districts. Accordingly, Sections 1 and 2, which amend Section 205-2, are deleted from H.B. No. 1972.

Additionally, the amendment to Section 205-17, contained in Section 3 of H.B. No. 891, has been reworded. It now requires the Land Use Commission to take into account "Preservation and enhancement of forest, scrub vegetation, and other important watershed recharge areas and water sources" when making decisions. Your Committee finds that with the State's ever-increasing population, it is crucial to protect our natural resources from encroaching development. Both forests and scrub vegetation play important roles in the hydrologic cycle by trapping moisture and funneling it into the ground. They also prevent soil erosion, which silts up surface water sources and eventually destroys reefs. Therefore, the Land Use Commission is explicitly required to avoid decisions adversely impacting on sources of the State's precious water.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1972, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Alcon, Bunda and O'Kieffe.

SCRep. 852 Water, Land Use and Hawaiian Affairs on H.B. No. 2107

The purpose of this bill is to require the Board of Land and Natural Resources to place all conservation district lands on Mount Olomana, Oahu, into the protective subzone. It further requires the Department of Land and Natural Resources (DLNR) to pursue a plan for placing all land on Mount Olomana above the 200-foot elevation into the conservation district, and prepare a plan for restoration and landscaping of land marred by inappropriate, illegal, or unauthorized development.

Your Committee received testimony from DLNR, and supporting testimony from the Save Mount Olomana Association, Honolulu City Council member John Henry Felix, the Hawai'i Rainbow Coalition, the Pohakupu-Kukanono Community Association, and the Kailua Neighborhood Board No. 31.

The communities of Windward Oahu have expressed overwhelming support for both preserving Mount Olomana and restoring it to its pristine state. They resent the numerous developments on and around the mountain which have blighted its spectacular natural beauty. Ideally, the whole area should be saved from further destruction and exploitation. Although your Committee strongly agreed, due to mitigating circumstances, H.B. 2107 had to be amended to remove the 200-foot elevation boundary for lands to be placed in the conservation district's protected subzone. Instead, the lands are defined as those "necessary to preserve the visual character of the mountain".

To allow more flexibility by the planners in selecting the best solution for each stream or waterway, the words "or 50 feet from the centerline" were added after the words "high water mark" in Section 2, line 9.

Your Committee has also made technical, nonsubstantive amendments to the bill for the 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. 2107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2107, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Alcon, Bunda and O'Kieffe.

SCRep. 853 Water, Land Use and Hawaiian Affairs 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 treatment works; and
- (2) Require that an applicant for a loan or grant for the construction of treatment works provide reasonable assurance that an impact fee structure will be instituted to insure that new developments will pay for their appropriate share of the costs of the treatment works.

Technical, nonsubstantive amendments have been made 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. 955, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 955, HD 2.

Signed by all members of the Committee except Representatives Alcon and Bunda.

SCRep. 854 Housing and Consumer Protection and Commerce on H.B. No. 1982 (Majority)

The purpose of this bill, as received by your Committees, is to amend the Hawaii Lease Rent Renegotiation Relief Act of 1975.

Your Committees have amended this bill by deleting the substance and inserting new material therefor, the purpose of which is to provide for leasehold conversions of residential condominiums, cooperatives, and planned unit and cluster developments.

The purpose of this bill is to:

- (1) Broaden opportunities for ownership of land used for housing;
- (2) Eliminate to the extent practicable the social and economic uncertainties that arise from the unpredictable risks inherent in long-term residential leases as they have been negotiated in the past; and
- (3) Extend the reach of the policies identified in and furthered in Chapter 516, Hawaii Revised Statutes (HRS).

This bill would apply to owners of two or more projects leased to condominium apartment owners, owners of units in planned unit developments or cluster housing developments, and shareholders of cooperative housing corporations in which 15 percent or more of the units within the development are owner-occupied by condominium apartment owners, owners of the units in a planned unit development or cluster housing development, or cooperative shareholders. As defined in the bill, owner-occupancy would require that the unit serve as the lessee's principal place of residence for a period of not less than three years immediately prior to application for conversion, as well as during the period pending legal proceedings to acquire the fee.

Specifically, this bill would add a new chapter to the HRS to provide for the following:

- (1) Provide that the Housing Finance and Development Corporation (HFDC) shall administer this chapter;
- (2) Authorize the HFDC to exercise the power of eminent domain or to purchase under the threat of eminent domain those condominium apartments, units in planned unit developments, cluster units, and cooperatives when a certain number of qualified lessees have applied to the HFDC to purchase the leased fee interest;
- (3) Provide that the owner of the condominium apartment, unit in a planned unit development, cluster unit, or cooperative, who has applied to the HFDC and has qualified to purchase the leased fee interest of the unit, shall purchase from the HFDC by contract within 60 days of the acquisition of the leased fee interest by the

HFDC, the leased fee interest to the residential unit, together with an undivided leased fee interest equal to the percentage of common interest;

- (4) Provide that only one unit shall be sold in fee simple or leased to a purchaser or lessee;
- (5) Establish qualifications which the owner of the condominium apartment, unit in a planned unit development, cluster unit, or cooperative must meet in order to purchase the leased fee interest;
- (6) Establish special lease treatments to those lessees unable to purchase the leased fee interest;
- (7) Establish alternatives for lessors to avert the required sale of leased fee interests and to retain the fee simple title to their land by agreeing to follow a lease rent formula or by agreeing with the lessees to an arrangement that is mutually agreeable to the lessees; and
- (8) Provide, in the case where a lessee purchases the leased fee interest under the new chapter and subsequently sells the unit within twenty years of that fee purchase, for sharing with the lessor of the appreciation derived from the resale under a sliding fee schedule.

It is your Committees' intent that if the owner of a condominium apartment, unit in a planned unit development, cluster unit, or cooperative had two units and made it into one unit, then it should be considered one unit for the purposes of this bill.

Your Committees also urge the HFDC, in adopting rules to implement this chapter, to provide flexibility for extenuating circumstances which affect a person's ability to comply with or qualify under this bill, including but not limited to:

- (1) Serious illness of owner-occupants which necessitates them to sell the unit after having purchased the fee under the bill; and
- (2) A change in marital status, such as a divorce.

Your Committees on Housing and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1982, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1982, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Cachola.
(Representatives Duldulao, M. Ige, Kawakami, Peters, Tom and Yoshimura did not concur.)

SCRep. 855 Judiciary on H.B. No. 932

The purpose of this bill, as received by your Committee, is to bring the State of Hawaii into compliance with the federal surface water treatment rule which requires certification of water treatment plant operators.

Your Committee received testimony on behalf of the Board of Water Supply and the State Department of Health and finds that this measure will provide a means for strengthening the protection of drinking water quality by requiring all drinking water treatment plants to be operated by or under the direct supervision of a certified operator. This requirement will provide the consumers of drinking water from public water systems additional protection and greater assurances that the water they are receiving is of high quality. This measure will help to ensure that the people responsible for operating drinking water treatment plants are trained to respond to changes in raw water conditions, and will react correctly to maintain safe drinking water quality.

Your Committee has amended this bill by changing the penalty for falsifying any required documents from a felony to a misdemeanor. Your Committee has also deleted the rule making authority from the criminal penalties section since the imposition of penalties should be reserved for the Legislature. 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. 932, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 932, HD 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 856 Judiciary on H.B. No. 1053 (Majority)

The purpose of this bill is to exempt the Housing Finance and Development Corporation (HFDC) from liability of pre-existing and future conditions of land condemned for the purpose of residential lease to fee simple conversion.

The HFDC's role, essentially, is to facilitate the conversion of leased land to fee simple interest. Therefore, the HFDC should not be responsible or liable for any pre-existing and future conditions of the residential property converted.

Testimony in support of this measure was submitted by the Housing Finance and Development Corporation.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1053, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1053, HD 1.

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

SCRep. 857 Judiciary 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, emergency telephone or telephonic systems often referred to as "911 systems", 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 to all of Hawaii's citizens. 911 is a nationally recognized "call sign" for emergency situations.

Your Committee received testimony from the Department of Health (Department) in support of the intent of the bill, but against the measure being placed under Section 321-224, Hawaii Revised Statutes. The Department believes that placing this measure in this Section will require the State to assume the authority for a 911 system.

Your Committee believes that current statutes do not clearly place the authority for a 911 system under anyone's jurisdiction. Your Committee finds that this bill will respond to that problem and ensure that all citizens of Hawaii will have eventual access to an emergency telephonic response system.

Your Committee amended this bill by changing the term "911 system" to an "emergency telephonic system". The effective date was changed from "upon approval" to "July 1, 1992". Technical, nonsubstantive amendments have also 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. 1183, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1183, HD 2.

Signed by all members of the Committee.

SCRep. 858 Judiciary on H.B. No. 893 (Majority)

The purpose of this bill is to amend Section 205A, Hawaii Revised Statutes, to implement certain recommendations of the Office of State Planning (OSP) which were contained in an assessment of the Coastal Zone Management (CZM) Program. These recommendations include:

- (1) Expanding the coastal zone management area to cover the entire land mass of the State including forest reserves;
- (2) Making the CZM Program objectives and policies more responsive to environmental impacts on coastal resources by prioritizing public recreation uses over private, commercial uses and adding sections on nonpoint source pollution and oil spills. New objectives and policies for public participation in coast management and beach protection are also added;
- (3) Establishing a special management area single-family dwelling approval for new single-family homes within the special management area, by requiring that all single-family homes proposed in the special management area be reviewed by the counties for compliance with CZM objectives and policies;
- (4) Strengthening enforcement by giving the OSP a new duty to monitor enforcement activities of the various state and county agencies and requiring the agencies to enforce the CZM objectives and policies;
- (5) Establishing a new shoreline stabilization district to address the problems of coastal erosion; and
- (6) Expanding the shoreline setback to 40 feet in the urban districts and 150 feet in non-urban districts.

Your Committee received testimony from the Office of State Planning, the Department of Parks and Recreation, Life of the Land, and the Land Use Research Foundation of Hawaii. Your Committee finds that with the increase in Hawaii's population and tourism, the use of Hawaii's coastal areas has also substantially increased. With these increases, the public has become more aware of the scarcity and vulnerability of coastal resources, reinforcing the importance of coastal management.

Your Committee has amended this bill by amending the definition of "shoreline area" to include any illegal structures including any portion of any building, pavement, road, pipe, or other impermissible structures. Technical, nonsubstantive amendments have also 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. 893, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 893, HD 2.

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

SCRep. 859 Judiciary 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, Industrial Relations Consultant Corporation, and the Hawaii Construction Industry Association. However, the Department of Labor and Industrial Relations expressed concern that it would be difficult to show that a contractor or subcontractor "knowingly" violated the law if violations are found on multiple projects on the first investigation.

Your Committee has amended this bill to include the following:

- (1) Deletion of proposed subsection (c) due to concerns that this amendment would mandate that a contractor or subcontractor would be subject to suspension after the first investigation;
- (2) Authorization for the director to assess civil penalties up to \$1,000 per offense on a first violation;
- (3) Appeal provisions for any person aggrieved by an assessment of civil penalties or determinations made by the director;
- (4) The effective date is changed to January 1, 1992 to allow the Department of Labor sufficient time to adopt rules on civil penalties; and
- (5) Technical nonsubstantive amendments have also 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. 1768, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1768, HD 2.

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

SCRep. 860 Judiciary on H.B. No. 22

The purpose of this bill, as received by your Committee, is to amend section 350-2, Hawaii Revised Statutes (HRS) regarding child abuse reporting, by requiring the Department of Human Services to expunge their records when the department has found the allegations contained in the reports to be frivolous or made in bad faith or when the petition arising from the report has been dismissed by order of the family court after a hearing on the merits pursuant to HRS Chapter 587. This measure would also allow the accused person to petition the Department for expungement when the Department has made a full investigation and determines that further action is not warranted.

Your Committee received supporting testimony from the State Department of Human Services and the American Freedom Coalition and opposing testimony from the Office of the Prosecuting Attorney.

Your Committee finds that allegations of child abuse should not remain on the records after having been found to be unsubstantiated or after being dismissed by the family court. However, your Committee has amended this bill by adding a clause allowing the Department to retain records of the abused child. Your Committee deleted lines 16-20 on page 1 of the bill, which allowed the accused person to petition for expungement under certain circumstances. This deletion would allow for the keeping of records where child abuse or neglect is substantiated even if further action on the case is not being pursued. This access to information on prior abuse or neglect is important when assessing risk in families previously known to the Department of Human Services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 22, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 22, HD 2.

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

SCRep. 861 Judiciary 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.

This measure will give the counties additional flexibility in enforcing collections of civil fines imposed for county ordinance or rule violations.

Testimony in support of this measure was submitted by the Department of Finance of the County of Hawaii and the Life of the Land.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1226, HD 1, and recommends that it pass Third Reading.

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

SCRep. 862 Judiciary on H.B. No. 27

The purpose of the bill is to amend Section 261-12, Hawaii Revised Statutes, to provide the Director of Transportation the authority to regulate noncommercial activities and to subject any person violating licensing and regulations to criminal penalties.

Your Committee received testimony supporting the bill from the Department of Transportation. The Department of Transportation expressed concern that commercial activities that violated licensing and regulations were not subject to the penalty provisions of the Hawaii Revised Statutes. The Department of Transportation also wanted similar authority over noncommercial activities to better protect health, safety and welfare of the general public.

Your Committee received testimony opposing this measure from several concerned citizens. The testimony indicated that some are concerned this bill would authorize a complete ban on noncommercial activities and therefore violate people's constitutional right of free speech and right to assemble.

Your Committee finds it inappropriate for a State agency to make rules involving criminal penalties. Your Committee believes these decisions are best left to the Legislature and therefore has amended the bill by eliminating the rule making authority as it pertains to criminal penalties. Your Committee further finds that noncommercial activities can be subject to reasonable regulations in so far as the activities are offensive to the general public. With respect to first amendment considerations, your Committee intends to make clear that noncommercial activities are difficult to regulate except by reasonable time, place, and manner regulations including licensing or permits, not overly burdensome to obtain.

Your Committee intends also to make clear that first amendment rights in most cases supersede statutory limitations or regulatory schemes that seek to limit speech or expression other than time place or manner, and that it is specifically not the Committee's intent that such rights not be in any way abridged or curtailed.

Your Committee further amends this measure by reinserting the term "general public" because it is a term of art interpreted and understood by the courts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 27, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 27, HD 1.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 863 Judiciary 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 (DLNR), 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 received testimony regarding the problems of homesteaders on Hawaiian homelands in obtaining irrigation water for farm and pastoral lot development in areas such as Waimea and Hoolehua. In order to avoid this type of situation in Waimea, Hoolehua and elsewhere, the State must establish a statutory priority in favor of reserving water to support homestead development. This bill would provide that authority by requiring the DLNR and the water commission to reserve water rights for Hawaiian homestead development whenever their actions might affect the future ability of homesteaders to obtain irrigation water. This bill is necessary to minimize the necessity to withdraw water for homestead development by requiring that agencies act to reserve water in advance.

Your Committee amended this bill by revising HRS sections 174-16 relating to consideration of petitions and 174-17 relating to formation of a project on initiative of the Board of Land and Natural Resources. A requirement that the Department shall assure that adequate water will be reserved for future development on Hawaiian Home Lands was added to each of these two sections. This amendment would enhance the legal rights to irrigation water the Department of Hawaiian Home Lands acquired with the passage of Act 24 of the 1990 legislative session.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1230, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1230, HD 2.

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

SCRep. 864 Judiciary on H.B. No. 86

The purpose of this bill is to amend Chapter 267, Hawaii Revised Statutes (HRS), by:

- (1) Providing for a new part that would prohibit and establish penalties for the operation of a recreational vessel while under the influence of intoxicating liquor; and
- (2) Adding and clarifying the definition of terms to Section 267-3, HRS, as appropriate.

Testimony in support of this measure was submitted by the Department of Transportation and the Department of Health.

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

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

SCRep. 865 Judiciary on H.B. No. 972 (Majority)

The purpose of this bill is to prohibit longline fishing within seventy miles of the shoreline in the marine waters of the State.

Statistics received by your Committee indicates that the number of longline vessels in Hawaiian waters has increased. It was further reported that ahi caught by longliners has also increased while ahi caught by small fishing vessels have significantly decreased in the past two years. With regard to marlin, the premier charter boat fish, the catch for trollers declined by eighty thousand pounds while the longline fleet increased its catch by five hundred fifty thousand pounds from the years of 1987 to 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.

Your Committee agrees with the purposes of this bill to protect and preserve the marine environment. However, your Committee believes that a two hundred mile boundary is more appropriate and has amended the bill accordingly.

Your Committee finds that longline fishing is becoming increasingly problematic in waters both within as well as beyond a seventy five mile zone due to the significant increase in longline fishing vessels currently and projected.

While the two hundred miles zone may prove inconvenient to the commercial endeavors of longline fishermen as they will have to travel farther off shore to pursue their activities, it is necessary in order for the State to adequately protect and preserve Hawaii's surrounding marine environment as well as to protect those participating in recreational activities off of Hawaii's shores.

The two hundred mile jurisdiction afforded Hawaii by this extension matches the two hundred mile zone called the "exclusive economic zone," over which the coastal nation has jurisdiction under international law as reflected in the 1982 United Nations Convention on the Law of the Sea. Part V of the Convention provides that the coastal nation shall have sovereign rights in the exclusive economic zone for the purposes of conserving and managing the natural resources of the waters and shall have jurisdiction with regard to protection and preservation of the marine environment. The extension of Hawaii's boundary to match that of the exclusive economic zone will allow Hawaii to cooperate with the federal government in the enforcement of a management system so as to more effectively attain these goals of conservation and protection of the marine environment in surrounding waters.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 972, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 972, HD 2.

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

SCRep. 866 Judiciary on H.B. No. 158

The purpose of this bill is to authorize a hotelkeeper or manager, or in the alternative, the personnel relations director or the director's secretary, to conduct a background check on applicants for employment as a manager, baby sitter, or security guard.

Hotels play a significant role in Hawaii's visitor industry. Allowing hotels to conduct background checks on applicants for employment as a manager, baby sitter, or security guard, would ensure greater security and quality service for their guests.

Testimony in support of this measure was submitted by the Police Department of the City and County of Honolulu, the Hawaii Hotel Association, and Rockresorts (Lana'i).

Your Committee has amended this bill by:

- (1) Replacing the phrase "personnel relations director" with the phrase "personnel manager or its equivalent";
- (2) Replacing the term "director's secretary" with the term "personnel manager's secretary"; and
- (3) Changing the date the Act is to take effect from upon approval to July 1, 1992.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 158, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 158, HD 2.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 867 Judiciary on H.B. No. 964

The purpose of this bill is to amend Chapter 329, Hawaii Revised Statutes, as follows:

1. To require out-patient medical facilities that stock drugs used by several physicians to 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 measure from the Department of the Attorney General, Honolulu Police Department, Department of Public Safety, Hawaii Medical Association, Hawaii Pharmaceutical Association, and Comprehensive Health Center.

Your Committee finds that dispensing and administration of controlled substances by clinics may not fall under the purview of the current law. The abuse and misuse of controlled substances are major concerns to the State. Your Committee further finds that drugs cause deaths and may spread infectious diseases. To further protect the general health, safety, and welfare of the general public, your Committee has amended the bill in the following manner:

1. Deleted Sections 5 and 6 of the bill to remain consistent with the current law.
2. Deleted the requirement to maintain prescription forms in a pharmacy file in Section 8 of the bill because under federal law pharmacies maintain computerized reports that list all controlled substances filled on any given day or time period.
3. Deleted Section 10 of the bill because current law prohibits conduct stated in that section.

4. Deleted Section 11 of the bill because your Committee believes it is against public policy for a physician to be completely insulated from civil action or disciplinary proceeding.
5. Deleted Sections 12 and 13 of the bill because the current definition of "anabolic steroid" will be updated.
6. Added to the list of drugs listed as "anabolic steroid" to conform the statute to current societal norms.
7. 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. 964, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 964, HD 2.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 868 Judiciary on H.B. No. 609

The purpose of this bill is to clarify that the family court has exclusive jurisdiction in cases involving:

- (1) Offenses endangering the welfare of minors in the first degree;
- (2) Felony charges between husband and wife; and
- (3) Violations of domestic abuse orders.

Your Committee received testimony in support of this measure from the Judiciary, who testified that the family court has exclusive jurisdiction over cases involving the offense of endangering the welfare of a minor. The Judiciary indicated that when Hawaii Revised Statutes section 709-903.5 relating to endangering the welfare of a minor in the first degree was created, the family court jurisdiction statute was not amended accordingly.

The Judiciary also expressed concern that the family court's jurisdiction over protective orders under section 514(2)(c) may technically restrict the family court's jurisdiction and exempt violations of temporary restraining orders. The Judiciary also wanted to clarify their jurisdiction over defendants who committed a felony against their spouse.

While in agreement of the intent of the bill to clarify jurisdiction of the family court by making housekeeping amendments to section 571-14, your Committee believes that felony cases involving adults are not the exclusive jurisdiction of the family courts. Your Committee has therefore amended the bill to provide for the exclusion of felony cases from the family court's exclusive jurisdiction.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 609, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 609, HD 2.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 869 Judiciary 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 (Commission) by conforming the provisions of Chapter 368, Hawaii Revised Statutes (HRS), with the contested case hearings and appeals procedures under Chapter 91, HRS.

The 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.

Testimony in support of this measure was submitted by the Commission and Na Loio No Na Kanaka.

Your Committee has amended this bill by:

- (1) Providing that the Commission's powers under Section 368-3, HRS, include conducting depositions and requiring parties to attend hearings and be subject to examination under oath;
- (2) Clarifying the Commission's jurisdiction over access to State and State-funded services by persons with handicap status in Section 368-13, HRS;
- (3) Specifying that damages can be awarded for violation of Chapter 368 in Section 368-17, HRS; and
- (4) Making other 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. 1004, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1004, HD 2.

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

SCRep. 870 Judiciary on H.B. No. 794

The purpose of this bill is to amend Section 150A-2, Hawaii Revised Statutes, to clarify the definition of a "microorganism" and to clarify that any importation or possession of prohibited animals is a class C felony.

Your Committee received testimony in support of this bill from the Department of Agriculture, who expressed concern that stricter penalties were needed to deter violations involving snakes and other prohibited animals.

Your Committee finds that the term "microorganism" is used in various sections of Chapter 150A, Hawaii Revised Statutes, to mean any bacteria, fungus, or virus. The addition of the term "microorganisms" to the definitional section of that Chapter will clarify any future discrepancies.

Your Committee further finds that the culpability of violators and repeat offenders was discussed and fully debated in the 1990 legislative session for the initial passage of Act 243 and it was determined that only persons who violate Chapter 150A more than three times in five years should be found guilty of a class C felony.

Furthermore, your Committee finds it inappropriate for a State agency to make rules involving criminal penalties by merely revising a "prohibited animals lists". Your Committee believes these decisions are best left to the Legislature and therefore has amended the bill by changing the statute's criminal penalties for violation of a State agency rule to civil penalties. Your Committee has amended the bill by changing the criteria for a repeat offender from three times in five years to more than once to be consistent with the Hawaii Revised Statutory scheme.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 794, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 794, HD 1.

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

SCRep. 871 Judiciary 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 received supporting testimony from the Department of Finance and the Honolulu Police Department. Opposing testimony was received from the Office of the Public Defender. Your Committee finds that each year, the Division of Motor Vehicles and Licensing processes approximately seven percent of the transfers of ownership as delinquent transfers. Although the percentage of delinquent transfers have decreased from a high of approximately fifteen percent prior to 1980 when Act 123 of the 1980 Legislature increased the penalty from \$2 to \$5, these delinquent transfers cause tremendous inconvenience and aggravation to the seller of a vehicle especially when the vehicle is issued citations after the sale and physical transfer of the vehicle to the new buyer.

Your Committee finds that to encourage the immediate transfer of ownership, an increase in the monetary penalty is warranted. However, your Committee does not feel that any imprisonment should be imposed and therefore Sections 3 and 4 were deleted because they involved criminal penalties. Your Committee 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. 56, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 56, HD 2.

Signed by all members of the Committee.

SCRep. 872 Judiciary on H.B. No. 515

The purpose of the bill is to amend chapter 327D, Hawaii Revised Statutes, to allow adults in Hawaii (1) to draft a living will which will take effect even if their condition is not terminal, such as when the individual has a permanent loss of consciousness, or permanent loss of the ability to interact with others; (2) to provide in their living will for the withdrawal of artificially supplied nourishment and fluids; and (3) to allow a proxy decision maker (appointed by the patient in the living will) to make medical decisions when the patient is unable to make these decisions.

Your Committee received testimony in support of the bill from the the Department of Health, the Hawaii Medical Association, the Hawaii Federation of Physicians and Dentists, the American Association of Retired Persons, the American Civil Liberties Union, the Legal Aid Society, the Hawaii Long Term Care Association, the Life Foundation, the Hawaii Chapter of National Association of Social Workers, Inc., and many concerned citizens. The foregoing witnesses expressed the need for effective arrangements for carrying out the patient's wishes for their medical care and for additional legal protection for physicians and facilities as they assist patients and families in this sensitive area.

Your Committee received testimony opposing the bill from the Hawaii Right to Life and several concerned citizens. The foregoing witnesses expressed concern that individuals, particularly disabled and paraplegics, will lose their rights to life when there are no limitations to what medical treatment can be withheld by the physicians that may be controlled by those plotting against the patient.

Your Committee has carefully weighed the concerns of the testifiers and finds that while a person has fundamental right to decide what medical treatment to receive, the right is not an absolute and unrestricted right. In accord with the recent "Cruzan" case of the United States Supreme Court, a state, by showing a compelling state interest, can set guidelines for medical treatment to protect the general public. Your Committee has amended the bill as received in the following manner:

1. For the purposes of clarity, added the definition for "artificial means" to include any medical procedure other than a mechanical one utilized to sustain, restore, or supplant a vital function, including nourishment and hydration. Your Committee intends to make clear that a medical procedure does not include ancillary practices attendant to patient care such as changing bedding, serving meals, or other similar actions incidental to the care of a patient.
2. Retained the statute's original requirements of two witnesses and notarization of all signatures at the same time. Your Committee finds that the execution of a living will is a serious matter not to be taken lightly. Any possible inconvenience in obtaining a notary is outweighed by the satisfaction in knowing that the decision was thoroughly thought through.
3. Deleted all references to proxy-decision maker and the proxy form because your Committee believes the durable powers of attorney issue should be addressed separately.
4. Added a new section titled "effect of multiple documents" to account for conflicts between two declarations or, conflicts between a living will declaration and a power of attorney.
5. Used most of the existing statute's example of a declaration form to minimize confusion.
6. Deleted references to "unqualified right" to clarify that the state may assert a compelling state interest to protect the general public.
7. Changed references to "delay the moment of death" to "prolonging the dying process" for the purposes of clarity and consistency.
8. Changed references to "condition stipulated in the declarant's declaration" to "condition described by section 327D-1" to make consistent and uniform the references to the required condition a patient must be in before a living will is enforced.
9. Added "nourishment and hydration" to the list of life sustaining procedures on the declaration form that a patient can decide to be withheld.
10. Retained certain language in the original statute for section 327D-12 relating to competency because there is a legal presumption of competency.
11. Amended section 327D-21, "procedure in absence of declaration", by adding the words "in deciding whether the patient would want the physician", to subsection (a) to allow more flexibility for the physician in his interpretation of the patient's desires without a declaration.
11. Amended sections of the bill with technical and nonsubstantive changes for the purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 515, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 515, HD 1.

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

SCRep. 873 Judiciary on H.B. No. 1344

The purpose of this bill is to amend Section 290-11, Hawaii Revised Statutes, to facilitate removal of abandoned vehicles by providing that notice is received by the registered owner of a vehicle five days after mailing of the notice, rather than to require a mail receipt signed by the registered owner.

Your Committee received testimony in support of this bill from the Department of Transportation, Department of Budget and Finance, Honolulu Police Department, and Hawaii Automotive and Retail Gasoline Dealers Association. The foregoing witnesses expressed concern that abandoned vehicles remain an ongoing problem to the public.

Your Committee finds that abandoned vehicles serve no public purpose and spoil the view of Hawaii's scenery. Your Committee further finds that many legal or registered owners of abandoned vehicles refuse to cooperate with the counties' efforts to remove abandoned vehicles by refusing to accept the notice sent by certified mail.

The expeditious removal of abandoned vehicles would benefit the public and the State, therefore, your Committee has amended the bill by adding to the bill amendments to Section 290-2, Hawaii Revised Statutes, removing the requirement for a return receipt and deeming the notice received by the legal or registered owner five days after the mailing of the notice. Your Committee intends to make clear that the new notice provision will apply to the removal of abandoned vehicles initiated either by the owner of property where the vehicle is located or by the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1344, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1344, HD 2.

Signed by all members of the Committee except Representative Peters.

SCRep. 874 Judiciary on H.B. No. 1077

The purpose of this bill is to require public employers, upon written request, to provide the name, social security number, bargaining unit, and mailing address of each employee on file of the appropriate bargaining unit to the exclusive bargaining representative.

The provision of this information would assist bargaining units in the notification of its employee members of developments affecting the terms and conditions of employment.

Testimony in support of this measure was submitted by the Department of Personnel Services and the Hawaii Government Employees Association.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1077, HD 1, and recommends that it pass Third Reading.

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

SCRep. 875 Judiciary on H.B. No. 492

The purpose of this bill is to enhance the enforcement of requirements for the use of high-occupancy vehicle (carpool) lanes by using electronic or photographic devices to record the identification of any violators. The citation is then mailed to the registered owner of the vehicle, who must then appear in court or pay a \$100 fine.

Your Committee received testimony in support of the bill from the Honolulu Police Department, Department of Transportation, and the Leeward Oahu Transportation Management Association. The foregoing witnesses expressed concern about the high number of violators on carpool lanes and a need for effective alternative enforcement measures that would not cause traffic congestion.

Your Committee received testimony opposing this measure from the Office of the Public Defender, who indicated that differences in heights of vehicles may result in unequal application of the law. The Office of the Public Defender also indicated that the use of the mail system violates due process of law. There was also doubt expressed about the reliability and accuracy of the electronic or photographic devices.

Your Committee finds that other states have enacted statutes that permit the issuance of citations for traffic violations photographed or recorded with electronic equipment. The opportunity to either pay the fine or appear in court to contest the case is accorded every person with a moving vehicle violation citation and does not violate due process. Your Committee finds that this measure will effectively deter violators and enforce the carpool lane requirements.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 492, HD 1, and recommends that it pass Third Reading.

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

SCRep. 876 Judiciary on H.B. No. 38

The purpose of this bill is to make it unlawful to possess or use any gill net in any embayment estuary or marine life conservation district.

Gill nets are a non-selective and very efficient means to catch fish. However, because gill nets are generally set and remain unchecked for several hours, many unwanted fish are caught and found dead from suffocation, internal injury, or infection. This problem is especially acute in embayment estuaries which serve as nursery areas for many marine species. The enactment of this measure would ensure the proper management of our fishery resources especially in sensitive coastal areas.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and a private citizen.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 38, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 877 Judiciary on H.B. No. 589

The purpose of this bill is to require lobbyists to file a statement of expenditures with the State Ethics Commission on March 1 of each year.

Presently, statements of expenditures are filed by lobbyists twice a year. A third filing of these statements would enable the public and the Legislature to determine whether legislation is being supported or opposed by special interest groups or the community-at-large during the legislative session.

Testimony in support of this measure was submitted by the State Ethics Commission, Common Cause Hawaii, and private citizens.

Your Committee has amended this bill by:

- (1) Changing the third filing date from March 1 to March 15 to provide the lobbyists with adequate preparation time; 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. 589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 589, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 878 Judiciary on H.B. No. 254

The purpose of this bill is to provide for the revocation of the privilege to drive motor vehicles or mopeds upon the refusal to submit to a blood test where there is probable cause to believe that the person is under the influence of drugs. The bill also revises the statutes concerning testing of blood for alcohol to include testing blood for drugs and their metabolic products.

Your Committee received testimony from the Department of Transportation, the Department of Health, the Honolulu Police Department and Mothers Against Drunk Driving in support of the bill. Your Committee also received testimony from the Office of the Public Defender in opposition.

Your Committee finds that many individuals on our roadways are stopped every year due to erratic driving behavior which police believe is due to alcohol or drugs. Upon administering the breathalyzer test, they discover that many of these individuals do not have any trace of alcohol or amounts lower than 0.10 blood alcohol content. This bill would allow police officers, who have probable cause to believe a driver is under the influence of drugs, to require the person to submit to a blood test, and thus help to discourage the dangerous practice of driving while under the influence of drugs.

Your Committee has amended this bill in the following manner:

- (1) Conforming subsection (a) of the new section to Chapter 286, Hawaii Revised Statutes (HRS), found in Section 2 of the bill, to the implied consent statute by adding that the arrestee has the option of taking the breath or blood test. If the arrestee elects to take the breath test and fails, then the police officer may require the blood test if probable cause exists to believe that the arrestee is under the influence of drugs.
- (2) Subsection (b) of the new section to Chapter 286, HRS, found in Section 2 of the bill, was amended to conform to the same periods of license revocation provided for driving under the influence of alcohol.
- (3) Subsection (c) of the new section to Chapter 286, HRS, found in Section 2 of the bill, was amended by deleting the broad discretionary powers of the court to impose a longer period of revocation than presently set by statute. There are no guidelines the court must adhere to when imposing a greater penalty and there may also be a due process problem.
- (4) Section 6 of the bill, which referred to the consent of a person who is incapable of refusing testing, was deleted. Accordingly, the section numbers were renumbered.
- (5) Section 4 of the bill was amended to allow for testing where a police officer has a reasonable suspicion that the driver was under the influence of alcohol or drugs at the time of an accident involving serious injury or death.
- (6) Section 3 of the bill was amended to clarify that the judge, at the hearing on revocation of the person's license, must determine that there was probable cause to believe that the person had been in violation of Section 291-7, HRS.
- (7) Technical, nonsubstantive amendments were made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 254, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 879 Judiciary on H.B. No. 1893

The purpose of this bill is to amend Section 584-7, Hawaii Revised Statutes, to provide that the same statute of limitations shall apply to all interested parties in paternity actions.

Your Committee received testimony in support of this bill from the Department of the Corporation Counsel, City and County of Honolulu. The testimony indicated that under the present law, for a child over three years of age, only the child and Child Support Enforcement Agency may bring a paternity action, and such action may be brought up to three years after the child reaches the age of majority. This is contrary to federal policy which strongly favors legitimation of all children born out of wedlock irrespective of their age.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1893 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 880 Judiciary on H.B. No. 1316

The purpose of this bill, as received by your Committee, is to exempt unopposed candidates from the requirement of filing preliminary and final campaign finance reports for the general election.

Your Committee has amended this bill by adding the substance of H.B. No. 213, HD 1, which contains additional campaign finance provisions. These provisions would:

- (1) Require candidates to file additional preliminary reports during the year;
- (2) Require immediate reporting of contributions and expenditures of \$500 or more which are made after the closing date for the pre-election report; and
- (3) Expand the scope of information required in organizational reports filed by non-candidate committees.

The Hawaii Monitor submitted testimony supporting the intent of the bill but expressed concern that under section 3 of the bill, the proposed amended 11-212(a)(2) which requires a candidate to include contributions commencing on January 1 of the year preceding the election might be interpreted to allow a candidate with a four year term to avoid disclosure of contributions received during the first two years of the term. Your Committee intends to make clear that a candidate shall interpret the term "the year preceding the election", to mean the year prior to the date that the candidate was elected.

Technical, nonsubstantive amendments have also been made to facilitate the joining of these measures.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1316, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 881 Judiciary on H.B. No. 2129

The purposes of this bill are varied:

- (1) To require lobbyists to report the compensation they receive for rendering services;
- (2) To require employers of lobbyists to report the compensation paid to lobbyists;
- (3) To require the State Ethics Commission (Commission) to publish a compilation of the compensation received by lobbyists and paid by employers;
- (4) To insert language into Chapter 97, Hawaii Revised Statutes, which relates to lobbyists, as to how Chapter 97 is to be administered and enforced by the Commission;
- (5) To give the Commission the power to impose penalties for violations of Chapter 97; and
- (6) To change violations of Chapter 97 from penal to civil offenses.

Testimony was received in support of this measure from the State Ethics Commission. Your Committee finds that publishing a compilation of fees paid to lobbyists will give legislators and the public useful and easily comprehensible information concerning the lobbying efforts of individuals, organizations, or individual companies.

Your Committee amended this bill in the following manners:

- (1) On page 3, line 2, the words "or incurred" was added after the word "made" so that it will be clear that expenditures "made or incurred" during a reporting period must be reported for that period. Similarly, in line 5 of the same page the words "or promising to make" were added after the word "making" so that again it will be clear that contributions made or promised in a reporting period will be reported for that period.
- (2) Section 3 was amended to set out the duties of the Commission, the procedures for addressing violations of the chapter, and the penalties for violations.
- (3) Section 5 was added to amend Section 97-4.5 of Chapter 97. This section of Chapter 97 requires the Commission to publish a "list" of lobbyists and those they represent, but specifically provides that addresses are not to be included in the list. However, the addresses appear on lobbyist registration forms (which are public documents) and are thus available to the public. Therefore, this amendment will comport with the intent of Chapter 97 while at the same time avoid any conflict with Chapter 92F of the Hawaii Revised Statutes which is the Uniform Information Practices Act.

- (4) In order to provide for the filing of an expenditures statement on March 15, "March 15" was inserted after the word "on" in line 5 of page 1 of the bill. The bill amends Section 97-3(b) to comport with the March 15 filing requirement.
- (5) Technical, nonsubstantive amendments were made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2129, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 882 Judiciary on H.B. No. 1016

The purpose of this bill is to amend Act 188, Session Laws of Hawaii 1990, to address matters which may have been overlooked or not fully considered during the passage of the law last session. This bill changes the existing law by:

- (1) Re-establishing probable cause as the burden of proof in cases where a person suspected of driving under the influence of intoxicating liquor refuses to submit to a chemical test for blood alcohol concentration;
- (2) Re-establishing a one year revocation period for drivers who refuse to submit to a chemical test;
- (3) Making drivers who refuse a chemical test ineligible for conditional permits;
- (4) Requiring drivers whose licenses are administratively revoked to post proof of financial responsibility before obtaining a new license; and
- (5) Reducing the blood alcohol concentration threshold at which an ignition interlock system prevents operation of an automobile from .10 to .03.

Testimony from the Attorney General's Office, the Public Defender's Office, the Honolulu Police Department and Mother's Against Drunk Driver's was received concerning this bill.

Your Committee has amended this bill by making technical, non-substantive changes for style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1016, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 883 Judiciary on H.B. No. 213

The purpose of this bill, as received by your Committee, is to amend Chapter 11, Hawaii Revised Statutes (HRS), to:

- (1) Require candidates to file additional preliminary reports of contributions and expenditures;
- (2) Provide for immediate reporting of contributions and expenditures over \$500 which occur after the closing date for the pre-election report; and
- (3) Expand the scope of information required in organizational reports filed by non-candidate committees.

Testimony was received from the League of Women Voters of Hawaii and the Hawai'i Monitor.

Your Committee has amended this bill by deleting the substantive contents and inserting the provisions of H.B. No. 1252 which amends Chapter 846, HRS, by:

- (1) Allowing organizations serving children to develop procedures for obtaining the criminal history record of individuals applying for positions that places the individual in close proximity to children;
- (2) Defining the phrase "criminal history record check";
- (3) Specifying that the information obtained by the employer shall be used exclusively by the employer or prospective employer for the purpose of determining suitability for the position;
- (4) Allowing the prospective employer to refuse employment if the person is convicted of a crime and poses a risk to the well-being of children; and
- (5) Mandating that no criminal history record check shall be used for individuals employed on a salaried basis prior to July 1, 1991.

Your Committee has further amended this bill by:

- (1) Specifying that the above-referenced statutory revisions are not categorized as discriminatory practices for the purposes of Chapter 378, HRS; and
- (2) Protecting the integrity of the rights and duties that matured, penalties incurred, or proceedings begun before the effective date.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 213, HD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 213, HD 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 884 Judiciary on H.B. No. 2019

The purpose of this bill is to establish procedures to provide public access to information and documents concerning matters before the civil courts including all discovery and settlement agreements.

Your Committee received supporting testimony from the Hawaii Academy of Plaintiff's Attorneys and opposition from the Judiciary. Your Committee understands that parties could be less inclined to settle cases out of court because of the possibility of public disclosure. However, this concern along with the interest in protecting business interests must be weighed against the public's right to information about dangerously defective products on the market.

Your Committee has amended this bill by redrafting the measure to make it applicable only to public hazards. It also provides that a court can under certain conditions, restrict access to information or evidence which pertains to a public hazard. The amendments further provide for procedures and safeguards to protect disclosure of certain information upon motion made to the court. Your Committee feels that this bill will further the public interest and promote public safety and access to relevant information.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2019, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 885 Judiciary on H.B. No. 620

The purpose of this bill is to impose a mandatory blood testing requirement on operators of motor vehicles when they are involved in an accident resulting in death or injury requiring transportation to a hospital of any person.

Testimony from the Department of Transportation, American Civil Liberties Union of Hawai'i, Mothers Against Drunk Driving, Public Defender's Office, Honolulu Police Department, and a concerned citizen was received concerning this bill.

Your Committee recognizes the need for testing, as well as the need to ensure that the constitutional rights of its citizens are observed and protected. It appears that the possibility of violence, if the blood testing is made mandatory, is a legitimate concern, as well as the fact that the bill, as originally drafted, may require drivers to undergo blood testing even if no circumstances exist to even suspect that the driver was under the influence of alcohol or drugs.

This bill has been amended as follows:

1. The section to be amended has been changed from Section 286-163, Hawaii Revised Statutes (HRS), to Section 286-151, HRS;
2. The mandatory testing requirement in the absence of probable cause was removed and testing will only be done if the police officer has reasonable suspicion that the driver was under the influence of alcohol or drugs at the time of the accident involving serious injury or death;
3. Added a new subsection to require a blood test for determining the presence of drugs or their metabolic products where there is probable cause to believe a person is in violation of Section 291-7; and,
4. Technical changes for purposes of style and clarity were made.

Your Committee intends to lower the standard of requiring a blood test in accidents involving serious injury or death from "probable cause" to "reasonable suspicion." The definition of "reasonable suspicion" contains language similar to that found in Hawaii Supreme Court cases involving the issue of justification for investigative stops. See, e.g., State v. Melear, 63 Hawaii 488, 630 P.2d 619 (1981). Caselaw in this area should be persuasive. A blood or breath test is warranted in cases involving serious injury or death and a reasonable suspicion that the driver was under the influence of alcohol or drugs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 620, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 886 Judiciary on H.B. No. 215

The purpose of this bill is to accelerate a defamation trial for political candidates.

Your Committee considered testimony on behalf of the Campaign Spending Commission and agrees with the Commission that this measure is a firm step forward in helping to alleviate defamatory attacks prior to the election. Your Committee finds that such an accelerated process will help to deter such activity.

Your Committee has amended this bill by redrafting the entire bill and by adding a new section regarding defamatory remarks in political advertisements, and the requirements and procedures for bringing an action of defamation. Accordingly, the remaining sections were renumbered.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 215, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 887 Judiciary on H.B. No. 1017

The purposes of this bill are varied:

- (1) It adds certain offenses to the list of offenses which give rise to forfeiture.
- (2) It clarifies the manner of giving notice in forfeiture proceedings.
- (3) It requires that forfeiture proceedings be initiated within a specified period.
- (4) It clarifies the procedure for processing administrative forfeitures, including specification of the procedure for filing and disposition of petitions for remission or mitigation of forfeiture.
- (5) To clarify the manner in which claimants in administrative forfeiture proceedings must swear to the truth of their filings.
- (6) To establish a rebuttable presumption that property acquired at the time of commission of a covered offense is proceeds of the offense where the owner has no legitimate source of income.
- (7) To permit the court to stay civil forfeiture proceedings where there is an ongoing criminal proceeding arising from the same action.

Your Committee received supporting testimony on behalf of the Department of the Attorney General and the Honolulu Police Department. Testimony was also received in opposition from the Office of the Public Defender.

Your Committee finds that Chapter 712A, Hawaii Revised Statutes, the Hawaii Omnibus Criminal Forfeiture Act has been effective in depriving criminals of their operating capital. Your Committee's main concerns about this bill are the sections concerning notice in Sections 2 and 3 and the remission or mitigation matters contained in Section 5. Your Committee finds notice is essential for due process requirements. Remission or mitigation is essential in allowing a claimant to justify why the property should not be forfeited.

Therefore, your Committee has amended this bill by deleting all sections of this bill except Sections 2,3 and 5.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 888 Judiciary on H.B. No. 1090

The purpose of the bill is to:

- (1) Amend section 577-16, Hawaii Revised Statutes, by lowering the age requirement from sixteen to fifteen years old by which a minor will be subjected to the curfew law;
- (2) Establish identification requirements for minors remaining in public during the curfew period for minors; and
- (3) Establish penalties for minors and parents or guardians of minors guilty of violating curfew restrictions.

Your Committee received testimony supporting the intent of the bill from the Department of Education, and representatives from the Kaimuki High School's political processes class. The foregoing witnesses expressed concern over the increased involvement of minors in youth gangs and of the rate of crime committed by minors during curfew hours.

Your Committee received testimony opposing the bill from the American Civil Liberties Union and the Office of the Public Defender.

Your Committee finds that the current age of sixteen years old for minors to be subject to curfew restrictions is appropriate and practical. Your Committee further finds that parents are liable for torts of their minors under Hawaii law. To subject parents to vicarious liability for actions of their minors would conflict with the concepts of criminal law where criminal liability requires culpable conduct and a state of mind. Furthermore, your Committee finds that the requirement that all minors carry identification is overly burdensome, difficult to implement, enforce, and that the "carding" process is subject to potential abuse.

While in agreement with the purpose of the bill to curb crimes committed by minors, your Committee believes the proposed additions to the curfew law are inappropriate. However, your Committee finds that to allow the judge to investigate and determine whether counseling, community service, or fines is appropriate for each individual case will benefit the minor and the general public.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1090, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 889 Consumer Protection and Commerce on H.B. No. 667

The purpose of this administration bill is to provide housekeeping amendments to chapter 514A, Hawaii Revised Statutes, for clarification and updating purposes.

Your Committee heard testimony from the Real Estate Commission, the Hawaii State Bar Association, the Hawaii Association of Realtors, and the Hawaii Developers' Council.

Chapter 514A, Hawaii Revised Statutes (HRS), concerns requirements for registration of documents of condominium projects. This bill facilitates the registration of condominium projects, the review of registration documents and proposed public reports, and expedites the issuance of public reports. The bill also made uniform the provisions for condominium project registration and public reports, with the Uniform Land Sales Act (Chapter 484, H.R.S.), time sharing plans (Chapter 514E, H.R.S.) and federal subdivision laws.

Your Committee amended this bill to substitute the regularly used term "legal non-conforming use" for "permitted non-conforming use", and to eliminate ambiguities regarding the required disclosure of condominium projects.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 667, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Peters, Yoshimura and Ward.

SCRep. 890 Consumer Protection and Commerce on H.B. No. 1767

The purpose of this bill as received by your Committee is to increase the minimum experience requirements for the electrician categories in Chapter 448E, Hawaii Revised Statutes.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, the Board of Electricians and Plumbers, and the International Brotherhood of Electrical Workers (IBEW).

The proposed bill increased the minimum qualification for journeymen electricians from four to five years of experience, and from 8,000 to 10,000 hours as an apprentice electrician. The minimum qualification for supervising electrician was raised from two years to at least four years in the trade. It also added a new definition for apprentice electrician. The experience requirements for journeyman and supervising industrial electricians were also increased.

Your Committee was concerned with the effect this bill would have on non-union electricians, and amended the bill to eliminate the requirement that a journeyman electrician needed to be an apprentice. H.B. 1767, HD 1, now requires that a journeyman electrician be supervised by an experienced electrician, who is not necessarily a union member. The definition of apprentice was also deleted. The effective date was changed to January 1, 1992.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1767, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 891 Consumer Protection and Commerce on H.B. No. 2130

The purpose of this bill is to change the current method of filing motor vehicle insurance rates with the Insurance Commissioner of the State from "file and use" to "prior approval".

Currently, automobile rates are required to be put on file for thirty days prior to use. The bill will require the Insurance Commissioner to approve or disapprove the rates within the thirty-day waiting period.

The Department of Commerce and Consumer Affairs (DCCA) and the Hawaii Academy of Plaintiff's Attorneys testified in support of the bill. Their testimony indicated that the bill would require the Insurance Commissioner to review all the automobile rate filings and approve them prior to implementation. This would ensure greater protection to consumers when automobile rates are changed.

The Hawaii Independent Insurance Agents Association, State Farm Insurance Companies, Hawaii Insurers Council, and Island Insurance Companies testified in opposition to the bill, noting that they believed the current "file and use" system was fine.

In your Committee's view, a prior approval system will afford more prior input from the Insurance Division and will ensure that rate changes are reasonable and justified. DCCA testified that a prior approval system will not adversely impact the workload of the division.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2130 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 892 Consumer Protection and Commerce on H.B. No. 1108

The purpose of this bill is to allow U-drive companies to use temporary paper license plates on their new vehicles for a limited time (maximum of thirty days) until the registration can be processed and the permanent plate issued.

Your Committee heard testimony from the City and County of Honolulu regarding the mechanics of this process. Your Committee heard supporting testimony from Car and Truck Leasing Association (CATRALA), and opposing testimony from the Hawaii Automobile Dealers Association.

Temporary paper plates allow purchasers of new vehicles to drive on public streets while their documents are being prepared for financing and registration. Presently, new vehicle dealers may use these plates, but not U-drive companies. CATRALA testified that many U-drive companies retain new vehicles for only six months, so there are thousands of U-drive vehicles which need to be processed in a short span of time on a regular basis. Use of paper plates would facilitate this process. The City and County expressed concerns regarding enforcement problems. New car dealers are not paid by lending institutions until the title is processed. U-drives do own their vehicles, and thus have less incentive to register their vehicles. Temporary plates are difficult to identify in traffic, and issuing parking citations is also difficult without a license plate number. Additionally, they recommended the bill be amended to decrease the number of days the paper plates could be used on a particular vehicle and to clarify the penalty provision for failure to notify the City and County of each temporary plate issued to a vehicle.

Accordingly, your Committee has amended this bill so that the temporary paper plates will be valid for a maximum of seven days, and that penalties for late notification will be increased to \$10.00 per day.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1108, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 893 Consumer Protection and Commerce on H.B. No. 2002

The purpose of this bill, as received by your Committee, is to increase the notice period for termination of a month-to-month tenancy from twenty-eight (28) days to forty-five days (45) days.

The Department of Commerce and Consumer Affairs and the Diocese of Honolulu testified in support of this bill indicating that more time is required for tenants to secure housing because of the unavailability of affordable rental housing.

The Hawaii Association of Realtors and the Koolau Agricultural Company, Inc., testified against this measure raising the point that the bill may create problems because a tenant may end up paying two rents during the overlapping period between the termination of one tenancy and the start of another. They also noted that an extended notification period may discourage landlords from granting month-to-month leases.

The Diocese of Honolulu pointed out the difficulties many tenants have in locating affordable rental housing. It has been their experience that tenants facing eviction have needed three to four months to relocate. During this time the tenants were at the mercy of the landlords because the landlord may or may not grant an extension of time to find housing. In many cases, the need for more time is based on the very low number of affordable rental housing units

available. The Diocese of Honolulu indicated that the vacancy rate for rental housing is one (1) percent or less and that many rentals are higher priced and out of reach of most of the tenant population.

Your Committee amended the bill by changing the notice period a tenant must give to the landlord from forty-five (45) days to twenty-eight (28) days, the current statutory time. The landlord is required to give the tenant 45 days notice of termination to give the tenant time to relocate. This additional time is required due to the unavailability and difficulty in locating affordable rental housing.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 894 Consumer Protection and Commerce and Judiciary on H.B. No. 1998

The purpose of this bill, as received by your Committees, is to protect information, given to insurance examiners during the course of an examination of an insurance company, that may not be appropriate for public disclosure for as long as the Insurance Commissioner deems prudent.

Your Committees heard testimony from the Department of Commerce and Consumer Affairs.

Presently, the insurance examiners' working papers are not protected from disclosure, and are open to public inspection. Some of the papers presented to the examiners would normally be confidential under Section 92F-13(3), Hawaii Revised Statutes, the Uniform Information Act (Modified), but the Insurance Code provides that all records of the Insurance Commissioner are public.

Certain business documents provided to the Insurance Division contain detailed commercial information which could result in substantial competitive harm if disclosed. This bill seeks to prevent such disclosure and to protect the privacy of such businesses.

Your Committees amended this bill to specify which business papers will be protected. In particular, proprietary information and working papers of examination reports will be protected.

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

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 1998, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1998, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 895 Consumer Protection and Commerce and Judiciary on H.B. No. 409

The purpose of this bill is to amend Section 281-31, Hawaii Revised Statutes, by authorizing certain classes of liquor licensees to provide entertainment on premises and to provide that certain changes in ownership of a cabaret license constitute transfer of the license.

Your Committees heard testimony from the Honolulu Liquor Commission, the Department of Liquor Control, and the Hawaii Hotel Association.

Specifically, the amendments will:

- (1) Authorize certain classes of liquor licensees to provide entertainment on their premises; and
- (2) Provide that a change in ownership of twenty-five per cent or more of stock or a change in ownership of any number of shares of stock which results in the transferee becoming the owner of twenty-five per cent or more of the outstanding capital stock in a cabaret license shall constitute a transfer of the cabaret license for purposes of whether the licensee is "grandfathered" to provide nude entertainment.

As provided in the 1990 omnibus bill which amended Chapter 281, cabaret licensees at the time of the effective date of that Act which provided nude entertainment were "grandfathered" and allowed to transfer their license with the nude entertainment for a period of ten years. However, there is a "loophole" in the statutory provision in that although licensees would be unable to transfer their cabaret license with the nude entertainment after ten years, they would be able to circumvent this limitation by transferring the stock of the corporation, thereby effectively transferring the license with the nude entertainment. This type of transfer of the nude entertainment aspect of the license is contrary to legislative intent.

Your Committee has amended this bill to allow existing hotels that have a dispenser license but not a Class 12 hotel license to obtain their Class 12 license without public hearing, if application is made before July 30, 1992.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 409, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 409, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 896 Consumer Protection and Commerce and Judiciary on H.B. No. 1936

The purpose of this bill, as received by your Committees, is to amend the insurance code to declare certain practices as unfair or deceptive acts or practices. Specifically, this bill established that HIV testing to determine insurability, or refusing to insure based on nationality, sexual orientation, or proxies for sexual orientation are unfair or deceptive practice or acts under the code.

Your Committees received testimony from the Department of Commerce and Consumer Affairs (DCCA), Department of Health (DOH), Governor's Committee on AIDS, Maui AIDS Foundation, Hawaii Association of Domestic Life Insurers, Hawaii State Association of Life Underwriters, American Civil Liberties Union of Hawaii, Life Foundation, and the Hemophilia Foundation of Hawaii.

The intent of this bill is to ensure that health insurance be available to individuals who have tested positive for HIV antibodies or antigens in their body, but who have not been diagnosed with AIDS or AIDS related conditions. Your Committees were informed that there is a significant period of years between testing positive for HIV and being diagnosed, if ever, with AIDS or AIDS related conditions. Health coverage should be available to these individuals.

Additionally, this bill prohibits the consideration of nationality and sexual orientation, including proxies for sexual orientation, to determine insurability. Some of the testifiers questioned the meaning of "proxies for sexual orientation", indicating they found the term unclear. Your Committees' understanding is that this term refers to factors which are often considered to be indications of sexual orientation, as noted in the bill and the term is taken from a Massachusetts statute.

Your Committees have amended this bill to make it clear that health insurance, rather than accident or disability insurance, is the type of insurance coverage prevented from using an HIV test for purposes of determining insurability. Your Committee has done this by providing a definition of health insurance in the bill. Your Committees have also replaced the term "nationality" with the term "race" in the anti-discrimination provision of the bill. Your Committees have made technical, nonsubstantive amendments to this bill for purposes of style and clarity.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 1936, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1936, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Peters, Yoshimura and Ward.

SCRep. 897 Consumer Protection and Commerce and Judiciary 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 in Hawaii with Kona coffee beans 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 Committees received testimony from the Board of Agriculture (Board), Hawaii Farm Bureau Federation, Lion Coffee, Kona Kai Farms, Kona Coffee Council, and Mauna Loa Macadamia Nut Corporation. The Board proposed several amendments to this bill reflecting the consensus of the proponents of this measure.

Accordingly, your Committees amended the bill as follows:

- 1) Requiring that there be a minimum of ten per cent (10%) Kona Coffee in a blend in order for its label to include the term "Kona";
- 2) Labeling coffee only by weight. The prior bill allowed labeling by either weight or volume which would have been confusing to consumers.
- 3) Labeling coffee as "Kona Coffee" only if the package does contain one hundred per cent (100%) Kona coffee.
- 4) Extending the effective date to January 1, 1992 to allow the industry to use its store labels and currently packaged coffee.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 1614, HD 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1614, HD 2.

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

SCRep. 898 Consumer Protection and Commerce 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 on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1001, HD 1, and recommends that it pass Third Reading.

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

SCRep. 899 Consumer Protection and Commerce 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 on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1026, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 900 Consumer Protection and Commerce on H.B. No. 664

The purpose of this bill, as received by your Committee, is to amend Part IV of Section 514A, Hawaii Revised Statutes, by establishing a public lottery system as the method for reserving owner-occupied units, and by limiting the use of a power of attorney for reserving condominium units.

Your Committee received testimony in support of this bill from the Real Estate Commission (Commission), the Hawaii Bar Association, the Hawaii Association of Realtors, the Mortgage Bankers Association of Hawaii, and the Escrow Association of Hawaii.

Your Committee finds that there are several types of abuse in the present first-come/first-served reservation system. The bill as, originally written, improves the situation as follows:

- (1) A required public lottery to determine the reservation list which provides for fairness and eliminates the "camping" problems;
- (2) First opportunity to persons seeking a "principal place of residence" which will aid in enforcement;
- (3) Disincentives and/or penalty provisions which will aid in reducing violators or potential violators; and
- (4) Self-enforcement provisions which will aid in overall enforcement and a more workable enforcement mechanism.

Testimony was in support of the lottery system, but there were some concerns about the mechanics of the bill. Major amendments include:

- (1) Regularizing all time frames to 365 days;
- (2) Deleting the enforcement provision relating to financial institutions because it would be overly burdensome for them to provide such enforcement;
- (3) Changing the affidavit so that the affiant must state that they do not own a majority interest in other real estate in Hawaii, or that if they do they will sell the property within two years of possession of a condominium through this process; and
- (4) Allowing the developer five percent of the deposit or actual damages if she/he sets aside a unit for an applicant who subsequently drops out.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 664, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 664, HD 2.

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

SCRep. 901 Consumer Protection and Commerce on H.B. No. 256

The purpose of this bill is to provide the Department of Health the authority to certify mental health and substance abuse treatment facilities, in lieu of relying solely upon other accreditation bodies, for insurance reimbursement purposes.

Supportive testimony was submitted by the Department of Health, the Alcohol and Drug Abuse Division of the Department of Health, the Mental Health Association in Hawaii, and the Hawaii Medical Service Association.

The representative from the Department of Health testified that Chapter 431M, Hawaii Revised Statutes, currently requires that all mental health and substance abuse facilities must first be accredited by a nationally recognized commission prior to receiving health insurance reimbursement for services provided. The representative noted that because the administrative costs incurred during the accreditation process often exceed \$10,000, only a "handful" of private hospitals and community programs are able to receive insurance reimbursement. Additionally, national accreditation requirements regarding the physical plant itself will preclude national accreditation for many of our community facilities, even though the treatment program itself at these facilities meet appropriate standards. The representative noted that this bill would provide those mental health providers, who are unable to support the expense of national accreditation, or unable to meet non-program requirements, reimbursement for such services. It is expected that the alternatives to national accreditation will increase the treatment of mental health, alcohol and drug abuse especially on the Neighbor Islands.

Your Committee has amended this bill by:

- (1) Requiring the Director of Health to adopt, amend, or repeal rules pursuant to Chapter 91;
- (2) Delaying the effective date to January 1, 1992; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 256, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 256, HD 2.

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

SCRep. 902 Consumer Protection and Commerce on H.B. No. 1567

The purpose of this administration bill is to amend Section 431:10G-104, Hawaii Revised Statutes, to allow cancellation of temporary motorcycle insurance for persons who have failed to enroll, complete, or pass the required education class.

Supporting testimony was received from the Department of Commerce and Consumer Affairs, the Insurance Association, Inc., and the University of Hawaii.

The current statute allows the issuance of temporary insurance to individuals with learners permits for motorcycles who were unable to enroll in or have not yet passed, a motorcycle education course as required by law. Your Committee was informed that people abused this law by enrolling in a motorcycle education course, receiving insurance, but failing to appear for class. Furthermore, the wording of the statute caused students to request a letter stating that the student was unable to enroll because of specific hardships.

This bill corrects the loophole in the law by allowing insurers to cancel the temporary insurance if the person fails to take, complete or pass the motorcycle education course.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1567 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 903 Consumer Protection and Commerce on H.B. No. 1139

The purpose of this bill, as received by your Committee, is to amend the definition of underinsured motor vehicle in order to provide that if a person is injured by an uninsured motorist, the individual will be able to utilize the underinsured motorist coverage if the damages exceed the uninsured motorist policy limits.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, Hawaii Academy of Plaintiff's Attorneys, Collin M. Fritz, and Hawaii Insurers Council.

Under current law, if a person who carries both uninsured motorist (UM) and underinsured motorist (UIM) coverage is hit by a person who has bodily injury liability coverage (BI), the injured person can collect from the negligent party's BI coverage and his or her own UIM coverage, if the damages warrant. However, if the same person is hit by one of the roughly twenty percent of vehicles in Hawaii which is not insured as required by law, the person is only able to collect UM. Therefore, although the purpose of both UM and UIM coverage is to compensate the injured person for inadequate insurance coverage of negligent drivers, the amount of recovery is dependent on the "whimsy" of whether one is struck by an uninsured or insured driver. In the first example described, one could collect up to \$70,000, but in the second example, one is able to collect only \$35,000. This bill would have allowed the injured individual in the second example to collect from both the UIM and UM coverages. The bill allowed this through a change to the definition of underinsured motor vehicle.

Both UM and UIM are mandatory optional coverages for at least \$35,000. Your Committee was informed that most, although not all, the insurance companies offer underinsured coverage of only \$35,000 and do not provide the option of purchasing more.

Upon further consideration, rather than changing the definition of underinsured motor vehicle, as provided in this bill, your Committee has amended this bill to require carriers to offer additional UIM insurance beyond the current \$35,000 limit, leaving it to the carriers to determine what additional amounts they choose to offer. Your Committee believes that this is a more straightforward approach to protect insureds. Your Committee reiterates that UIM is an optional coverage and insureds may refuse such coverage if they choose.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1139, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura and Ward.

SCRep. 904**Finance on H.B. No. 139**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the Executive branch during the fiscal biennium 1991-1993.

FINANCIAL AND BUDGETARY OVERVIEW

Your Committee began its fiscal deliberations in the midst of a national recession and growing tension in the Persian Gulf. Shortly after receiving the Executive biennium budget request, the Council on Revenues on January 10, 1991, projected a downward revision of its previous revenue projection based on the impact of the recession. This revision would result in \$150 million less in previously projected revenues for the biennium. When the Council met again on January 23, 1991, to consider the impact of the outbreak of the conflict in the Middle East, this projection remained the same. As a result, in response to the lower revenue estimate, the Governor, on January 31, 1991, submitted major revisions to the original budget request.

In developing this budget, your Committee focused on meeting the most urgent needs of our State and maintaining funding for economic and social safeguards. Foremost were programs ensuring the health and safety of the people of our State.

Having made every attempt to thoroughly review each funding request and to incorporate recommendations from the various House Standing Committees, your Committee has developed a budget that meets the immediate needs of the State and continues to invest in the long-term economic and social welfare of the people of our State.

Your Committee remained cautious in recommending funding to expand programs, which can result in large deficits during periods of slower economic growth. This budget, as a part of the total financial package developed by your Committee, provides a comprehensive yet responsible allocation of valuable State resources. Highlighted are some of the major program and budgetary appropriations contained in this bill.

BUSINESS AND ECONOMIC DEVELOPMENT

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

High Technology. Promotion of economic diversification through development of high technology has been supported through funding to continue the Hawaii Small Business Innovation and Research grant program.

Agriculture. The agriculture program continues to support one of the leading sectors of the economy by making available affordable land for farming and promoting Hawaii-grown products.

Plant Pest and Disease Control. Introduction of certain insects and plant diseases from the United States mainland or foreign countries could cripple our vital agricultural industries. To safeguard this industry, your Committee has provided funding to strengthen the plant pest and disease control program by augmenting the inspection staff at the Honolulu International Airport.

Commodities Promotion. Continued support has been provided for Hawaii's agricultural products through the funding of marketing-related activities for various agricultural products including pineapple, coffee, papaya, and locally produced milk.

EMPLOYMENT

Aware of the repercussions of a labor shortage and its adverse impact on the economy, your Committee has emphasized the need for work force expansion by increasing the "employability" of nontraditional and marginally employable sources of labor. Strengthening the labor exchange process will assist job seekers in obtaining valuable skills and provide the business community with additional employees to meet current labor needs.

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

Office of Community Services. To ensure equitable employment opportunities for all residents of the State, your Committee has provided funding for the continuation of the Office of Community Services. This funding will provide for the necessary training and various support services to assist immigrants and the economically disadvantaged gain employment.

Wage Standards & Fair Employment Practices. Recognizing the importance and need to assure workers of their lawful rights and benefits related to their wages and to safeguard against unlawful employment practices, your Committee has provided funds and enforcement staff for the Wage Standards & Fair Employment Practices program.

TRANSPORTATION

The rapid economic growth Hawaii has experienced over the past several years has affected the State's transportation systems. Our airports are experiencing difficulty in accommodating travelers in a timely manner. Our harbors must meet ever increasing volumes of cargo, and our highways are burdened with worsening traffic congestion.

Airports. Your Committee has provided funds for various airport improvements, including funds for continued renovations, increased emergency services, and additional security coverage. In addition, funds have been provided for repair, maintenance, and improvements for terminals at various airports throughout the State.

Harbors. Increasing cargo volume has placed a high demand on the State's harbors. To meet this demand, your Committee has provided additional personnel for those harbors which have been most severely affected by workload increases and capital improvement funds for container yard improvements.

Highways. Traffic congestion continues to be a statewide concern. Your Committee realizes the financial burden of maintaining the highways of the State. Airport Duty Free funds have been authorized for use by the highway program for construction of State highways within ten miles of an airport. In addition, your Committee has provided funds to continue the Mililani telework center and to study the feasibility of establishing other telework center sites.

ENVIRONMENTAL PROTECTION

Our environment is a very delicate and important part of our lives. To ensure a safe and clean environment, your Committee has provided funds for the monitoring of and compliance with the federal Clean Air and Clean Water Acts.

Solid Waste Management. Your Committee has provided funds for increased inspections and monitoring of landfills to meet new federal guidelines. The solid waste management program will also initiate and coordinate waste minimization programs within the counties. Funds will also provide for planning, implementation, and public awareness of recycling and waste reduction programs.

Wastewater Systems. Your Committee has provided funds for the implementation of the wastewater systems administration rules. Oahu and statewide inspections of private systems will be increased.

Demonstration Desalting Plant. Concerned for stable sources of clean drinking water, your Committee has provided funds to continue the demonstration desalting plant. During the demonstration period various operating data will be collected and evaluated to determine the most feasible unit processes in desalting brackish water to supplement Hawaii's drinking water supply.

HEALTH

Behavioral Health Services. Your Committee is dedicated to the improvement of the State mental health system. The new facility at Hawaii State Hospital is scheduled to open this summer. Funds have been provided to strengthen clinical, psychosocial, and quality assurance services at Hawaii State Hospital and to enhance services provided at the community mental health centers statewide. Additional funding has been provided for child and adolescent mental health services, as well as for education, prevention, and rehabilitation services for substance abusers.

Community Hospitals. The State's community hospital system continues to be an important priority for your Committee. Your Committee has provided funds to increase staffing levels, improve facilities, and purchase new equipment to ensure the continued provision of quality service. Additional funds have been provided for the Community Hospitals Information Processing System to upgrade the existing computer system and to expand the system to those community hospitals not presently on-line. New initiatives include the implementation of Program for the All-inclusive Care of the Elderly at Maluhia Hospital, which replicates the highly successful On Lok program for the elderly in San Francisco.

Emergency Medical Services. Your Committee realizes the importance of immediate access to medical services during an emergency. Funding has been provided to upgrade and improve the Emergency Medical Services Management Information System. Additional funds have been provided to ensure improved ambulance service on Oahu and Hawaii. The State's participation in the National Major Trauma Outcome Study will provide valuable information to the Hawaii Trauma System and eventually improve the emergency medical services currently being provided.

Hawaiian Health Services. Your Committee has provided for a reallocation of resources to institute a centralized system of health services dedicated to serving the Hawaiian community. The Office of Hawaiian Health will administratively control these resources and provide effective leadership in addressing Hawaiian health needs and concerns.

HUMAN SERVICES

In the past, your Committee has supported a person's right to live with human dignity. That commitment continues today. Programs to ensure basic financial, medical, housing, social, and rehabilitative needs have been funded. In addition, your Committee has supported programs which encourage self-sufficiency through training, counseling, and assistance programs.

Early Childhood Care. Hawaii has one of the highest percentages of families with two working parents in the nation. In addition, childcare in Hawaii is costly. These factors present barriers to childcare for children of families with limited incomes. To this end, your Committee has funded expansion of the Open Doors project which makes affordable childhood education and childcare available.

Assistance for the Homeless. Homelessness is a problem that must be addressed. In response, your Committee has provided assistance by way of funding for a homeless shelter stipend program, homeless emergency assistance program, and outreach services for homeless families not living in shelters.

Job Opportunities and Basic Skills (JOBS). As part of the federal Family Support Act of 1988, the JOBS program is a mandatory work program for certain applicants and recipients of Aid to Families with Dependent Children (AFDC). The program is designed to encourage and assist AFDC recipients to become financially self-sufficient and thus independent of the welfare system. Your Committee has provided funds to expand the JOBS program statewide by October of 1992.

Elder Care. By the year 2005, individuals sixty years of age and older will comprise nearly eighteen percent of the State's total population. Accordingly, your Committee has provided funding for a multilingual access program, replenishment of the long-term care service development fund, and the Senior Actively Volunteering in Education program.

Hawaiian Home Lands. Your Committee recognizes the need to provide infrastructure improvements on Hawaiian Home Lands. Funds are provided to accelerate improvements to enable homesteaders to use the land for residential or agricultural purposes.

LOWER EDUCATION

Our young people today must be prepared to meet the great challenges of tomorrow. Much of that preparation will take place in our public schools. To this end, your Committee has focused on programs which will enhance the quality of education for our students.

School/Community Based Management. The 1989 Legislature made a commitment toward a decentralized school management system by supporting School/Community Based Management. Your Committee continues this commitment by providing funds for the implementation of this program for those schools which have completed the proposal formulation process.

Vice Principals and Registrars. In an on-going effort to improve administrative responsiveness to students, your Committee has provided three vice principal positions and ten registrar positions to elementary and intermediate schools with large student enrollments.

School Counselors. Recognizing the importance of providing support through counseling services, your Committee has provided twelve counselors for elementary schools with large student enrollment. These positions will add counseling support in the areas of personal, social, academic, and career development.

Teacher Training, Certification, and Recruitment. Your Committee has added positions and funds to continue activities addressing current teacher shortages. These resources will allow for the continuation of on-the-job training for regular teachers interested in Special Education, the certification of non-certified teacher candidates, and the out-of-state recruitment of teachers in shortage categories with an emphasis on retaining teachers in Hawaii.

Repair and Maintenance. Concerns regarding the physical condition of the public schools continue to be addressed. Most cyclical repair goals have been met, however, additional funds are still required. Your Committee has continued its support for school maintenance by providing an additional \$5 million, particularly to address deficiencies at those schools that did not pass the statewide School Inspection Program, including Farrington High School, Baldwin High School, and Kihei Elementary School.

Hawaiian Language Immersion Program. Given the high degree of success of the existing program, your Committee has provided resources for an additional grade level in each of the five immersion schools plus an additional school site. Successful candidates in this program have developed a high level of proficiency in understanding, speaking, and writing in the Hawaiian language, a positive self-concept, and appropriate cultural attitude. In addition, they have gained skills and knowledge in the content areas of the curriculum that meet Department of Education objectives.

Educational Facilities. Proper classroom facilities are essential in creating an environment conducive to learning. Your Committee has authorized the use of \$180 million through the Educational Facilities Special Fund to meet the growing needs of our schools.

HIGHER EDUCATION

Your Committee has reaffirmed its commitment to providing quality post-secondary educational programs through the University and Community College systems.

Academic Advising. To improve the overall quality of higher education your Committee has provided funding to expand student advising and counseling services at the Manoa campus, the Hilo campus, and the Community Colleges of the University of Hawaii.

Strengthen Affirmative Action. To ensure equitable treatment of women, minorities, handicapped students, faculty, and staff, your Committee has provided funds for the development and implementation of policies and procedures on affirmative action and sexual harassment.

Support. Your Committee has continued to provide needed infrastructure support, including maintenance of classrooms and labs, provision of utilities, and modernization and expansion of administrative computer applications. In addition, administrative support and maintenance positions have been established. Included in this area is the separation of Hawaii Community College from the University of Hawaii at Hilo.

Address Critical State Needs. Your Committee has provided funds to assist in resolving issues with significant State impact. Among them are the expansion of teacher education, child care training, and nursing programs to meet shortages in these professions.

Strengthen Basic Curricula. To assure that basic instructional programs are responsive to current and future requirements, your Committee has provided funds for accreditation needs in engineering and for undergraduate curriculum planning.

Research and Training. To enhance research capabilities for new basic knowledge and improve the quality of faculty and instructional programs, your Committee has provided funds for the expansion of the Pacific Biomedical Research Center, the Institute for Astronomy, the Cancer Center of Hawaii, and the School of Ocean and Earth Sciences and Technology.

Infrastructure. In the area of special repairs and maintenance your Committee has provided approximately \$13 million in each fiscal year of the biennium for non-recurring repair and maintenance projects.

Your Committee has also provided for capital improvement projects including the completion and renovation of teaching and research facilities at UH-Manoa, the design for Hamilton Library Phase III, the completion of student housing and campus lighting improvements at UH-Hilo, the continued development of Kapiolani Community College, and the renovation of Lokai Building at Windward Community College.

CULTURE AND RECREATION

The culture and recreation program continues to support efforts to provide the general public with accessibility to the arts and opportunities for varied recreational activities.

In providing cultural accessibility, your Committee has allocated funds to adequately address the specially funded Arts in Public Places Program. Funds have also been allotted to continue the State's comprehensive Historic Preservation Program as well as to support Hawaii's small towns through the Main Street Hawaii Program. In addition, your Committee has provided funds to support the Hawaii Public Broadcasting Authority and its Interactive Television System Program.

In the area of recreation, your Committee has appropriated funds to continue the Hawaii Statewide Trail and Access System through the Na Ala Hele Program. In support of our State parks, funds will be utilized to upgrade facilities for the safety of park goers. Your Committee has also provided funds for the improvement and expansion of recreational mooring and launching facilities.

PUBLIC SAFETY

Recruitment and Retention. It is your Committee's understanding that the correctional system's recruitment and retention problems stem, in part, from the temporary status of numerous positions. Therefore, your Committee has enabled the Department to convert these positions to permanent status. As a result, the personnel turnover and its accompanying excessive cost of overtime payments should be reduced.

Additional Adult Correctional Officers Positions. The correctional facilities have expanded due to renovations and newly constructed buildings. To accommodate the new facilities, your Committee has provided funds for new positions to ensure proper security coverage and to provide basic supervision. Additionally, funds have been provided for comprehensive training of correctional and enforcement personnel to ensure preparedness and improve technical skills to meet the day-to-day challenges inherent to the program.

Repair and Maintenance. Your Committee has provided funds for special repair and maintenance projects, to alleviate costly CIP needs in the future.

GOVERNMENT WIDE SUPPORT

State Information Services Offices. The Satellite State Office Pilot Project began with the opening of the Kaneohe Satellite Office. Funds for the establishment of a Leeward Oahu office and three neighbor island offices have been provided to make state government services more accessible.

Office of International Relations. Your Committee recognizes the State's opportunity to benefit economically, socially, and academically by enhancing its position in the international arena. Funds for the Office of International Relations will continue the progress made in the areas of:

- (1) International trade policies;
- (2) International liaison and political affairs;
- (3) Science, ocean, and global environment;
- (4) International education, health, and training; and
- (5) Public affairs and protocol.

Building Maintenance and Repair. Your Committee recognizes the deteriorating condition of many State facilities and supports the continuance of a systematic maintenance and repair program.

SUMMARY AND RECOMMENDATIONS

In summary, your Committee has thoroughly reviewed the numerous and varied funding requests and concerns of the Administration, the House of Representatives, and the people of this State. Your Committee believes it has developed a budget which meets the needs of the State and addresses the aforementioned concerns.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 139, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 905 Finance on H.B. No. 598

The purpose of this bill is to appropriate funds for the Judiciary of the State of Hawaii for the 1991-93 fiscal biennium.

Your Committee began deliberations on the Judiciary budget at a time of fiscal uncertainty. The full impact of the national recession and the pending crisis in the Middle East on the State's economy was yet to be determined. In developing this biennium budget, your Committee took into consideration the declining revenue predictions made on January 10, 1991, by the Council on Revenues.

Your Committee has focused on meeting today's needs while being receptive to new programs. Based on testimony and information received from the Judiciary, your Committee has amended the bill by adjusting position counts and appropriations. Your Committee has amended the bill as follows:

- (1) Provided positions and funds for one Circuit Court judge and support staff to the Circuit Court of the First Circuit to respond to increased filings;
- (2) Converted eight temporary social worker and one temporary clerk stenographer positions in the first circuit to permanent positions to ensure continuity of services for the sex offender treatment program;
- (3) Provided three additional clerical positions in the first fiscal year and six additional clerical positions in the second fiscal year for the Family Court of the Second Circuit;
- (4) Established additional positions in all circuits to ensure proper implementation of adoption records, pursuant to Act 338, Session Laws of Hawaii 1990;
- (5) Provided two additional social workers for the District Court of the Third Circuit to ensure manageable caseload assignments and improve delivery of services;
- (6) Appropriated \$75,000 for each year of the biennium for an automated remittance processing service for the Traffic Violations Bureau to increase the efficient processing of mail-in motor vehicle tickets and fines;
- (7) Provided positions and funds to establish a Judicial Education Office, to carry out the recommendations of the Legislative Auditor's Report No. 89-5, Management and Financial Audit of the Judiciary of the State of Hawaii (Legislative Auditor's Report); and
- (8) Provided additional positions and funds to strengthen the reorganized Telecommunications and Information Services Division to also carry out the recommendations in the Legislative Auditor's Report.

Upon further consideration, your Committee has mandated the Judiciary to submit a written report to the Legislature regarding the use of program savings for attending off-island education/training meetings or classes, and purchasing computer-related equipment. It is your Committee's intent to encourage better fiscal management by the Judiciary while

providing the Judiciary with the needed flexibility to meet immediate program needs without specific legislative appropriations. The Judiciary is urged to reallocate available resources for existing program requirements before requesting additional appropriations.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 598, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 598, HD 2.

Signed by all members of the Committee.

SCRep. 906 Finance on H.B. No. 701

The purpose of this bill is to appropriate funds for the 1991-93 biennium budget of the Office of Hawaiian Affairs (OHA).

Your Committee began deliberations on the OHA budget in an atmosphere of economic uncertainty. The January 10, 1991 forecast by the Council on Revenues projected a decrease in state revenues, primarily as a result of the recession on the mainland and its dampening effects on tourism.

In its review, your Committee remained cognizant of the directive of the 1990 Legislature to eliminate duplication of services between other agencies. Your Committee, therefore, has provided funds to allow OHA to work in conjunction with other organizations to efficiently and effectively provide services.

The health and social conditions of Hawaiians is of the utmost importance to your Committee. As a result, funds have been provided for OHA to work with other agencies to collect and print data on Hawaiian health and implement a strategy on the dissemination of this information.

As the indigenous people of an island state, Hawaiians have been addressing the issue of sovereignty for a long time. Recognizing the importance of Hawaiians to be afforded opportunities to enhance their well-being, your Committee has provided funds for the development of several sovereignty models and for implementation of a marketing plan for these models on a national and international level.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 701, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 701, HD 2.

Signed by all members of the Committee.

SCRep. 907 Judiciary on S.B. No. 1811

The purpose of this bill is to amend Chapter 378 of the Hawaii Revised Statutes which relates to employment discrimination, by adding "sexual orientation" to the list of grounds on which employment discrimination shall be unlawful.

Your Committee received supporting testimony on behalf of the Department of Health, the Governor's Committee on AIDS, the Hawaii Civil Rights Commission, the American Civil Liberties Union, the Roman Catholic Church of Hawaii, and many other church groups, organizations, and individuals. Your Committee also received opposing testimony from the Kalama Baptist Fellowship, the Chamber of Commerce of Hawaii and the Christian Voice of Hawaii.

Your Committee finds that the AIDS epidemic has compounded discriminatory treatment of gays and lesbians. To treat someone differently simply on the basis of what the person is and not in relation to the context of the person's behavior is unfair. Many jurisdictions throughout the nation, including the City and County of Honolulu, prohibit sexual orientation discrimination in employment. There is current legislation prohibiting discrimination in employment based on race, sex, age, religion, color, ancestry, handicapped status, marital status, or arrest and court record. Your Committee finds that by adding "sexual orientation" to this list, qualified persons will not lose employment opportunities because of a factor which has no correlation to successful work performance.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1811, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Thielen and Ward.

SCRep. 908 Judiciary on S.B. No. 135

The purpose of this bill is to repeal Section 601-14, Hawaii Revised Statutes, which prohibits a court from issuing writs of ne exeat.

Your Committee finds that the writ of ne exeat is in the nature of a civil bail, the purpose of which is to prevent the frustration of a plaintiff's equitable claim by insuring the continued physical presence of the defendant within the court's jurisdiction. Ne exeat writs are used to restrain a person from leaving the jurisdiction or from removing property beyond the jurisdiction. Your Committee finds that the statute is unnecessary because the courts have other options that achieve the same results, such as the use of restraining orders or requiring the posting of bonds.

Your Committee intends to make clear that its intention is not to revive writs of ne exeat, but to remove an unnecessary and antiquated statute. As with other writs, the Hawaii Supreme Court may adopt rules governing the use or non-use of writs of ne exeat if it deems it necessary.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 135 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Thielen and Ward.

SCRep. 909 Judiciary on S.B. No. 83

The purpose of this bill is to prohibit defendants from removing cases from Small Claims Court without the consent of the plaintiffs.

Your Committee finds that the Small Claims Court was created for the purposes of adjudicating matters involving small claims, reducing court traffic at the district court level, expediting court proceedings, and keeping small claims disputes informal and inexpensive. Defendants remove their small claims cases from the Small Claims Court to the regular Civil Division of the District Court to reserve their right to appeal or to engage the services of an attorney, thereby frustrating the purposes of the Small Claims Court. The need for plaintiffs' consent for removal would reinforce the purposes of the Small Claims Court.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 83 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Thielen and Ward.

SCRep. 910 Judiciary on S.B. No. 124

The purpose of this bill is to repeal Section 46-3, Hawaii Revised Statutes, which authorizes counties to create an Office of the Public Defender.

Your Committee received testimony in support of this bill from the Office of the Public Defender.

With the enactment of Chapter 802, Hawaii Revised Statutes, which created a statewide Office of the Public Defender, your Committee finds that Section 46-3 has become obsolete and should be deleted from the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 124 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Thielen and Ward.

SCRep. 911 Judiciary on S.B. No. 713

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes (HRS) and the Session Laws of Hawaii for the purposes of correcting errors, clarifying language, correcting references, and deleting obsolete or unnecessary provisions. All amendments are of a purely technical nature and contain no substantive amendments to the law.

The reasons for amending the sections are as follows:

Section 1. The word "authority" is added to "natural energy laboratory of Hawaii" in Section 26-18, HRS, to conform to other references to that agency.

Section 2. Section 103-3, HRS, is amended by deleting the reference to the Hawaii Criminal Justice Commission because its responsibilities, functions and staff, have been transferred to the Department of the Attorney General.

Section 3. Section 353D-4, HRS, is amended by updating the title of Director of Corrections to Director of Public Safety.

Section 4. Subsection 475-5(11), HRS, is deleted to remove from the Office of Consumer Protection, the power to adopt administrative rules to implement a chapter of the HRS that has been repealed.

Section 5. Act 40, Session Laws of Hawaii 1990, is amended to adhere to Ramseyer guidelines.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 713 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Thielen and Ward.

SCRep. 912 Agriculture and Health on H.R. No. 19 (Majority)

The purpose of this resolution is to request a study and report on the feasibility of inspecting the quality of agricultural products sold in open market and residential door-to-door operations to ensure the safety of the products for human consumption.

Testimony from the Department of Agriculture (DOA) and the Department of Health (DOH) indicated that:

- (1) The DOA is responsible for pesticide uses while the DOH is responsible for pesticide residues found on or in agricultural commodities; and
- (2) The DOH already knows it is feasible to examine the agricultural products sold in open markets, but finds its testing capabilities for pesticide residues and other chemical contaminants limited until its new laboratory is built. Furthermore, the DOH does not believe that the door-to-door sales can be monitored effectively because it is impossible to track the peddlers.

Your Committees find from testimony presented that it would be more appropriate for the study to define feasibility in terms of the magnitude of the open market and door-to-door operations and the cost and level of inspection, monitoring, and laboratory analysis needed to ensure the safety of the products sold.

Upon further consideration, your Committees have also amended this resolution to make the DOH the lead agency to undertake this study.

Your Committees on Agriculture and Health concur with the intent and purpose of H.R. No. 19, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 19, HD 1.

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

SCRep. 913 Agriculture and Health on H.C.R. No. 16 (Majority)

The purpose of this concurrent resolution is to request a study and report on the feasibility of inspecting the quality of agricultural products sold in open market and residential door-to-door operations to ensure the safety of the products for human consumption.

Testimony from the Department of Agriculture (DOA) and the Department of Health (DOH) indicated that:

- (1) The DOA is responsible for pesticide uses while the DOH is responsible for pesticide residues found on or in agricultural commodities; and
- (2) The DOH already knows it is feasible to examine the agricultural products sold in open markets, but finds its testing capabilities for pesticide residues and other chemical contaminants limited until its new laboratory is built. Furthermore, the DOH does not believe that the door-to-door sales can be monitored effectively because it is impossible to track the peddlers.

Your Committees find from testimony presented that it would be more appropriate for the study to define feasibility in terms of the magnitude of the open market and door-to-door operations and the cost and level of inspection, monitoring, and laboratory analysis needed to ensure the safety of the products sold.

Upon further consideration, your Committees have also amended this concurrent resolution to make the DOH the lead agency to undertake this study.

Your Committees on Agriculture and Health concur with the intent and purpose of H.C.R. No. 16, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 16, HD 1.

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

SCRep. 914 Intergovernmental Relations and Internatioinal Affairs on H.R. No. 34

The purpose of this resolution is to request the City and County of Honolulu to suspend plans to demolish the Camp Kailua facilities and to renovate the Camp Kailua facilities instead.

Your Committee finds that Camp Kailua has a long history of serving as an island-wide resource for residents and visitors. Your Committee further finds that Camp Kailua is one of the few physically accessible public facilities available with sleeping accommodations for overnight stays for disabled children and adults.

Camp Kailua facilities are used in many ways, such as an idyllic beachside meeting place and retreat for many non-profit organizations from all over Oahu. Some of the groups currently using Camp Kailua include senior citizens and their Food Bank activities, Big Brothers/Big Sisters, substance abuse rehabilitation groups, sports associations, and church groups.

Your Committee finds that enactment of City and County plans to demolish, rather than renovate, Camp Kailua for the purpose of improving and expanding open space and parking lots would most likely increase commercial tourist-related traffic for the area already strained by traffic congestion caused by beachgoers.

Your Committee received testimony in support of this resolution, and its companion H.C.R. 25, from members of the City Council of the City and County of Honolulu, the Lanikai Community Association, the Kailua Senior Citizens Club, and a concerned citizen.

Testimony in opposition to this resolution was submitted by the Department of Parks and Recreation of the City and County of Honolulu.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.R. No. 34 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 915 Intergovernmental Relations and International Affairs on H.C.R. No. 25

The purpose of this concurrent resolution is to request the City and County of Honolulu to suspend plans to demolish the Camp Kailua facilities and to renovate the Camp Kailua facilities instead.

Your Committee finds that Camp Kailua has a long history of serving as an island-wide resource for residents and visitors. Your Committee further finds that Camp Kailua is one of the few physically accessible public facilities available with sleeping accommodations for overnight stays for disabled children and adults.

Camp Kailua facilities are used in many ways, such as an idyllic beachside meeting place and retreat for many non-profit organizations from all over Oahu. Some of the groups currently using Camp Kailua include senior citizens and their Food Bank activities, Big Brothers/Big Sisters, substance abuse rehabilitation groups, sports associations, and church groups.

Your Committee finds that enactment of City and County plans to demolish, rather than renovate, Camp Kailua for the purpose of improving and expanding open space and parking lots would most likely increase commercial tourist-related traffic for the area already strained by traffic congestion caused by beachgoers.

Your Committee received testimony in support of this concurrent resolution, and its companion H.R. 34, from members of the City Council of the City and County of Honolulu, the Lanikai Community Association, the Kailua Senior Citizens Club, and a concerned citizen.

Testimony in opposition to this concurrent resolution was submitted by the Department of Parks and Recreation of the City and County of Honolulu.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.C.R. No. 25 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 916 Housing on H.R. No. 7

The purpose of this resolution is to: (1) urge the Housing Finance and Development Corporation to implement the provisions mandated by Act 337, 1987 Session Laws of Hawaii, to establish the Housing Information System; and (2) have Chair of the Board of Directors of the Housing Finance and Development Corporation report to the 1992 Legislature on the steps taken prior to January 1991 toward implementing the Housing Information System, the progress made between January 1991 and January 1992 toward implementing the system, and the feasibility of integrating the system with Hawaii FYI.

Your Committee heard testimony from the Housing Finance and Development Corporation in favor of the resolution.

Your Committee received written testimony in favor from the American Association of Retired Persons.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 7 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 917 Housing on H.C.R. No. 3

The purpose of this concurrent resolution is to: (1) urge the Housing Finance and Development Corporation to implement the provisions mandated by Act 337, 1987 Session Laws of Hawaii, to establish the Housing Information System; and (2) have Chair of the Board of Directors of the Housing Finance and Development Corporation report to the 1992 Legislature on the steps taken prior to January 1991 toward implementing the Housing Information System, the progress made between January 1991 and January 1992 toward implementing the system, and the feasibility of integrating the system with Hawaii FYI.

Your Committee heard testimony from the Housing Finance and Development Corporation in favor of the concurrent resolution.

Your Committee received written testimony in favor from the American Association of Retired Persons.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 3 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 918 Health on S.B. No. 1366

The purpose of this bill, as amended, is to clarify and expand laws regarding access to vital records.

Testimony was received in favor of the bill from the Department of Health, but suggesting several amendments for clarity and specificity. No additional testimony was given.

Your Committee has amended the bill by:

- (1) restoring the phrase on lines 11 and 12 "a person having a common ancestor with the registrant.";
- (2) replacing text on page 2 with specific language describing who may have access to vital records.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1366, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1366, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 919 Health on S.B. No. 1410

The purpose of this bill, as received, is to appropriate \$15,000,000 to the Department of Health for fiscal year 1990-1991, for emergency operating expenses for community hospitals.

Testimony in favor of the bill was given by the Department of Health. No additional testimony was presented.

Your Committee finds that there has been some confusion as to the relationship of general appropriations to the Department's community hospitals, and the overall budget allocations provided to the Department by the Department of Budget and Finance. Their situation is as follows:

- 1) some of the funds appropriated to the community hospitals, over \$8,000,000, were not allotted to the hospitals until just recently, and even then the allotment was only for a "loan". Apparently, the Department of Budget and Finance did not agree with the Legislature's appropriation, and sought to delay the transfer, and to require that the funds be returned.
- 2) the overall State expenditure ceiling has been reached, and in order to add any more funds to community hospitals in the current fiscal year, the Hawaii State Constitution requires a legislative act to raise the ceiling. This bill proposes to raise the ceiling by \$15,000,000, of which \$14,000,000 has already be "loaned" to the Department of Health and spent.
- 3) by "appropriating" an additional \$15,000,000, the Department will be able to "repay" the "loan" to Budget and Finance. Presumably, this repayment would then go into the general fund.

Your Committee is concerned that when funds are appropriated by the Legislature, they should be released to the community hospitals. Again and again we receive information on the ongoing "cash-flow crisis" in the hospitals, requiring some immediate action just to pay today's bills.

To respond to the issues of "loans", the ceiling, and the current needs of the community hospitals, your Committee has amended the bill in the following manner:

- 1) Section 2 has been amended to increase the general fund expenditure ceiling from \$15,000,000 to \$20,000,000.
- 2) Section 4 has been amended to read: "There is appropriated out of the general revenues of the State of Hawaii the sum of \$20,000,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the following purposes:
 - a) \$14,000,000 to be used to "repay" the loan from the Department of Budget and Finance;
 - b) \$1,000,000 to be used by the Department of Health to make up for the shortfall in fiscal year 1990-1991;
 - c) \$5,000,000 to be deposited into the Department of Health's Community Hospital Special Fund for necessary expenditures.

- 3) Section 4 has also been amended to require that all funds appropriated by the Legislature, to the Department of Health, shall be allotted to that Department free and clear, and not as so-called "loans".

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1410, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1410, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 920 Health on S.B. No. 1157

The purpose of this bill is to authorize the Department of Budget and Finance to issue refunding special purpose revenue bonds to assist the continued provision of residential and health care services to the elderly at the Pohai Nani Good Samaritan Kauhale (Pohai Nani) in Kaneohe, Oahu.

Your Committee received testimony in support of this measure from the Evangelical Lutheran Good Samaritan Society, the Hawaii Long Term Care Association, and a senior citizen. This testimony emphasized the importance of continued support to facilities such as Pohai Nani, especially in these times when long term care services and retirement facilities are in short supply.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1157, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 921 Health on S.B. No. 430

The purpose of this bill is to appropriate funds for a mobile therapy team providing home-based services to infants and toddlers with special developmental needs.

Testimony was received unanimously in favor of the bill from the Department of Health, Hawaii Speech-Language-Hearing Association, Commission on Persons with Disabilities, Hawaii Healthy Mothers/Healthy Babies Coalition, Department of the Army, Windward Public Health Nursing Section, State Planning Council on Developmental Disabilities, Hawaii Medical Association, Hawaii Early Intervention Coordinating Council, University of Hawaii, Kapiolani Medical Center, American Physical Therapy Association, United Cerebral Palsy Association, Occupational Therapy Association, Parent-Child Development Association, Easter Seal Society, and numerous letters from citizens.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 430, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 922 Human Services on S.B. No. 372

The purpose of this bill is to continue the family center project for another year and to emphasize the importance of literacy programs for the centers. The bill increases the number of family centers and provides additional appropriations for this project.

Your Committee has amended the bill by appropriating \$350,000 for the establishment of family center demonstration sites, including the hiring of necessary staff for fiscal year 1991-1992, and \$350,000 for fiscal year 1992-1993.

Your Committee has also amended the bill to include \$200,000 for the establishment of a family literacy program including the hiring of necessary staff for fiscal year 1991-1992, and \$200,000 for fiscal year 1992-1993.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 372, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 372, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 923 Human Services on S.B. No. 339

The purpose of this bill is to:

- (1) Amend Section 359-121, Hawaii Revised Statutes, to allow the Hawaii Housing Authority to contract to make annual payments to a housing owner on behalf of a qualified rent supplement program tenant with respect to housing for a period exceeding 40 years;
- (2) Amend Section 359-123, Hawaii Revised Statutes, by broadening the definition of "qualified tenant" to allow persons receiving Federal Supplemental Security Income payments to receive rent supplement payments; and
- (3) Appropriate moneys to supplement the rent supplement program.

Your Committee received supporting testimony from the Hawaii Housing Authority; the State Planning Council on Developmental Disabilities; the City and County of Honolulu's Elderly Affairs Division; the Honolulu Community Action Program, Inc.; Hawaii Centers for Independent Living; Catholic Services to the Elderly; and the Affordable Housing Alliance.

Your Committee has amended this bill by:

- (1) Clarifying that "qualified tenant" shall not include "any other person receiving money payments for public assistance from the department of human services; provided that the term "public assistance" shall exclude aid provided through the Federal Supplemental Security Income Program"; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 339, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 924 Human Services on S.B. No. 817

The purpose of this bill is to transfer the youth development project from the Department of Public Safety to the Office of Youth Services in the Department of Human Services.

The youth development project which was established in 1983 has been highly successful in impacting delinquency by addressing such factors as school failure, inability to relate to peers and adults, and school disciplinary referrals. The project works within the public school system to develop and promote social skills training, cooperative student team learning, and parent-school liaison. The project, which has been very successful in the public school system, shares the same juvenile delinquency prevention mission of the Office of Youth Services. Accordingly, the transfer of the project as proposed by this bill is appropriate.

The bill also requires that an annual evaluation of the project be performed by the Center for Youth Research of the University of Hawaii. Your Committee received testimony from the University of Hawaii that the Center for Youth Research is well prepared and willing to conduct the annual evaluations as it has been doing so in the past.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 817, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 925 Human Services on S.B. No. 420

The purpose of this bill is to increase Medicaid's private practitioner reimbursement from the current rate of fifty-six per cent of customary fees to sixty per cent of customary fees.

Your Committee has amended the bill by appropriating \$2,595,152 for the 1991-1992 fiscal year and by making technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 420, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 420, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 926 Human Services on S.B. No. 487

The purpose of this bill is to supplement and enhance the implementation of the special supplemental food program for women, infants, and children.

Your Committee has amended the bill to appropriate \$650,000 for the purpose of making Hawaii able to efficiently handle the increased caseload by computerizing its administrative functions. An infusion of State money would allow the program to get a head start on administrative computerization before the federal funding year begins on October 1. Computerization would allow 100 per cent automation of food coupons; move intake documentation input to the clinic site, speeding up client processing; allow nutritionists to conduct nutritional assessments rather than current nutritional assessments rather than current nutritional screening only.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 487, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 487, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 927 Human Services on S.B. No. 1351

The purpose of this bill is to establish a revolving fund to receive and disburse income derived under the Randolph-Sheppard Act.

The Randolph-Sheppard Act allows blind and visually handicapped vendors to receive income from various sources, including vending machines situated on government property. The revolving fund established by this bill will serve as the authority by which income received under the Randolph-Sheppard Act may be utilized for the benefit of blind and visually handicapped vendors.

This bill allows the proceeds of the fund to be used for the following purposes:

- (1) To establish and maintain a benefits package for blind and visually handicapped vendors;
- (2) To maintain, repair, and purchase equipment for blind and visually handicapped vendors; and
- (3) To provide other services for blind and visually handicapped vendors.

Representatives from the Department of Human Services, the Department of the Attorney General, and the Hawaii Blind Vendors Association submitted testimony in support of the intent of this bill.

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

- (1) Specifically providing for three types of benefits for blind vendors: retirement or pension plans, health insurance, and sick and vacation leave;
- (2) Allowing the Department of Human Services to use moneys from the revolving fund to provide services for the State Committee of Blind Vendors; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1351, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1351, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 928 Human Services on S.B. No. 1612

The purpose of this bill is to appropriate funds to implement the medically needy program at an increased income eligibility level.

Your Committee received testimony in support of this bill from the Hawaii State Primary Care Association; the Hawaii Healthy Mothers, Healthy Babies Coalition; the Hawaii Centers for Independent Living; the Founders' Group of the Kokua Council for Senior Citizens; the Honolulu Community Action Program, Inc; the Single Parent Advocacy Network; and the Committee on Welfare Concerns.

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

- (1) Directed that the monies appropriated are to implement the medically needy program at an increased income eligibility level of 133 percent of the assistance allowance, or 83 percent of the federal poverty level;
- (2) Appropriated \$1,997,573, for fiscal year 1991-1992 for the foregoing purpose;
- (3) Designated the Department of Human Services as the expending agency; 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 S.B. No. 1612, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1612, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 929 Human Services on S.B. No. 693

The purpose of this bill as received is to appropriate funds as the State's share in obtaining federal matching funds for two hundred additional persons above and beyond the three hundred persons currently being served by the Nursing Home Without Walls Program.

Your Committee has amended the bill to appropriate \$1,480,661 for fiscal year 1991-1992 and \$1,761,458 for fiscal year 1992-1993.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 693, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 693, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 930 Human Services on S.B. No. 1353

The purpose of this bill is to amend the expenditure ceiling for the Nursing Home Without Walls Program to the amount authorized by the federal Health Care Financing Administration (HCFA).

By amending the expenditure ceiling, the Department of Human Services would be able to plan and manage client expenditures more systematically and effectively, using the ceiling the HCFA sets over a five-year period.

Testimony in support of this measure was submitted by the Department of Human Services, the State Planning Council on Developmental Disabilities, and the Founders' Group of the Kokua Council for Senior Citizens.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1353, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 931 Human Services on S.B. No. 963

The purpose of this bill is to appropriate funds to continue providing support services to the Waianae Coast Coalition for Human Services.

Testimony in support of this measure was submitted by the Department of Human Services, the Waianae Coast Coalition for Human Services, the Waianae Coast Day Care Centers, Inc., the Waianae Adolescent Health Network, the Waianae Coast Comprehensive Health Center, the Waianae Coast Time Out Nurseries, Inc., and the Waianae Coast Community Mental Health Center, Inc.

Your Committee has amended this measure by appropriating \$78,750 for fiscal year 1991-1992 and \$78,750 for fiscal year 1992-1993 to provide administrative and personnel support to the Waianae Coast Coalition for Human Services.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 963, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 963, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 932 Human Services on S.B. No. 1792

The purpose of this bill is to clarify and strengthen the existing correctional industries law. Specifically, the bill provides for the following:

- (1) Allows the correctional industries to construct, renovate, and repair the facilities, grounds, furniture, vehicles, and equipment of private nonprofit social service, education, and health agencies and programs;
- (2) Broadens the range of purchases made for correctional industries purposes which are exempt from the public bidding requirements of Chapter 103; and
- (3) Authorizes the use of the Correctional Industries Revolving Fund to pay inmates for their labor.

The Department of Public Safety (Department) testified in support of the measure.

Your Committee has amended the bill by amending Section 354D-13, Hawaii Revised Statutes, to allow the Department to use earnings which have been obtained by an inmate pursuant to Chapter 354D, Hawaii Revised Statutes, to offset restitution. Your Committee understands that this amendment will enable the Department to qualify for federal certification of its correctional industries program.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1792, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1792, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 933 Human Services on S.B. No. 1404

Your Committee finds that there are high numbers of functionally illiterate individuals in the State of Hawaii and that there is a need to develop a statewide system of family literacy education geared to break the intergenerational cycle of

undereducation. Your Committee finds that efforts must be made to cure the problems of poverty and accompanying illiteracy.

Your Committee has amended this bill to appropriate out of the general revenues of the State of Hawaii the sum of \$330,850, or so much thereof as may be necessary for fiscal year 1991-1992, for deposit into the public-private partners for literacy trust fund, to be matched by private sector donations in accordance with the provisions of this Act; provided that the State matching funds not exceed \$500,000.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1404, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1404, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 934 Tourism on S.B. No. 1850

The purpose of this bill is to amend the Hawaii Revised Statutes to exempt non-profit beachboy concessions, and county zoos and botanical parks run by non-profit support groups from Section 102-2(a) competitive bidding requirements.

Your Committee received testimony in support of this bill from the City and County of Honolulu Department of Parks and Recreation.

Your Committee finds that such operations provide great benefit to the public. In addition, the zoo and botanic park operators provide great assistance to the counties in future development plans for such unique parks.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 1850, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 935 Tourism and Transportation on S.B. No. 2114

The purpose of this bill is to authorize the Director of Finance to issue an unspecified amount of general obligation bonds and to appropriate an equal amount of funds to the Department of Transportation for improvements to the Ala Moana Boulevard gateway to Waikiki.

Your Committees received testimony in support of this bill from the Department of Transportation, the Waikiki Improvement Association, the Hawaii Hotel Association, and the Waikiki Residents Association. Your Committees received testimony from the Queen Emma Foundation and the Ala Moana Bowls Coalition raising concerns about the impact of this project.

Your Committees find that this bill would provide for 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 amended the bill by:

- (1) Removing the contents of the bill except for the purpose section;
- (2) Appropriating \$1 to the Department of Transportation for the purpose of continuing discussion of the bill;
- (3) Providing for improvements to the Ala Moana gateway to Waikiki, and to the Ala Wai Yacht Harbor; and
- (4) Making technical, non-substantive changes to the bill for the purposes of style and clarity.

Your Committees on Tourism and Transportation are in accord with the intent and purpose of S.B. No. 2114, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2114, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Fukunaga, Horita and Yonamine.

SCRep. 936 Tourism and Intergovernmental Relations and International Affairs on S.B. No. 1176

The purpose of this bill is to appropriate funds to the County of Hawaii to facilitate the coordination of the solar eclipse preparation efforts of public and private groups.

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

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:

- (1) Changing the purpose section to reflect the fact that the eclipse may be ideally viewed from anywhere on the island of Hawaii;
- (2) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
- (3) 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 S.B. No. 1176, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1176, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita and Yonamine.

SCRep. 937 Tourism and Intergovernmental Relations and International Affairs on S.B. No. 2135

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to provide "Sun Peeps", inexpensive hand-held solar viewing filters, and additional educational materials, to the residents of the island of Hawaii.

Your Committees received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, Bishop Museum, the Hawaii Hotel Association, and Outrigger Hotels. Those who testified, however, agreed that the State effort should emphasize statewide education about eye safety over the distribution of filters.

Your Committees find that the partial eclipse actually poses an equal or even greater risk of eye damage to persons on other islands as that posed by the total eclipse to persons on the island of Hawaii. Your Committees further find that the private sector has already made plans to sell the inexpensive solar filters, and that free distribution of the Sun Peeps to Hawaii island residents by the State would compete with private sector efforts and would ignore the risks imposed on residents of other islands.

Your Committees further find that the State's major responsibility in this matter is to ensure the safety of residents and visitors by disseminating information on eye safety and safe viewing of the eclipse.

Your Committees amended the bill by:

- (1) Removing the substantive contents of the bill, except for the purpose section;
- (2) Creating a task force, composed of representatives of the Department of Business, Economic Development, and Tourism, the Department of Education, the Department of Health, Bishop Museum, the Hawaii Visitors Bureau, and the Hawaii Hotel Association, to educate the public about the eclipse and eye safety in viewing the phenomenon;
- (3) Making a \$10,000 appropriation to the Department of Business, Economic Development, and Tourism; and
- (4) 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 S.B. No. 2135, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2135, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Horita.

SCRep. 938 Consumer Protection and Commerce on S.B. No. 1209

The purpose of this bill is to:

- (1) Clarify the title of the Commissioner of Financial Institutions;
- (2) Allow the Deputy Commissioner of Financial Institutions to serve as ex officio Commissioner during the Commissioner's absence; and
- (3) Provide the Commissioner of Financial Institutions the authority to appoint an international banking examiner.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs, Division of Financial Institutions (Division). The Commissioner of Financial Institutions testified that despite obtaining the necessary approval and funding for an international banking specialist position in 1990, the lack of statutory authorization to establish an international banking examiner has prevented the Division from filling the position. This measure would provide the Division with the legal authority to hire an international banking specialist. The Commissioner further added that this bill contains housekeeping provisions which are desperately needed to enhance the operations of the Division.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1209 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 939 Consumer Protection and Commerce on S.B. No. 179

The purpose of this bill is to establish within the Department of Commerce and Consumer Affairs a permanent, professional position exempt from civil service requirements to administer the registration of condominium projects, public records, the owner-occupant provisions of chapter 514A, Hawaii Revised Statutes, and limited-equity cooperatives.

Supportive testimony was submitted by the Real Estate Commission; the Hawaii State Bar Association, Real Property and Financial Services Section; the Land Use Research Foundation of Hawaii; the Hawaii Developers' Council; and the Hawaii Association of Realtors.

The Commission testified that their ability to provide services in a timely fashion has been gravely reduced because of:

- (1) A substantial increase in:
 - (a) The development of condominium projects over the past few years;
 - (b) The number of laws directly affecting condominium registration; and
 - (c) The demand to review public records on condominium projects as the result of public information laws and a better informed consumer; and
- (2) The expanding complexity of:
 - (a) Condominium projects regarding land use;
 - (b) Disclosure requirements for condominium public reports; and
 - (c) Interdepartmental and intergovernmental transactions relating to the provision of information and the coordination of action.

Presently, the Department has only one employee, a condominium clerk, handling the processing of condominium and limited-equity cooperative project registrations, public records, owner-occupant issues, and records management. The proposed position will furnish full-time administrative attention to condominium issues as well as provide for better management.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 179 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. 940 Consumer Protection and Commerce on S.B. No. 1198

The purposes of this administration bill are to clarify obsolete provisions in Section 26-9, Hawaii Revised Statutes (HRS), 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 include certain penalties or fines for violators of Chapter 480 and 487 in the special fund already provided in Section 26-9 (HRS).

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1198, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1198, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 941 Labor and Public Employment on S.B. No. 1704

The purpose of this bill is to change the amount an employer must pay into the Special Compensation Fund when an employee dies from a work injury but leaves no dependent from \$8,775 to 25 percent of 312 times the effective maximum weekly benefit rate provided in Section 386-31, Hawaii Revised Statutes.

The bill also amends the section to make the foregoing sum payable to the nondependent parents of the deceased employee, if there are any, rather than to the Special Compensation Fund.

Your Committee received testimony from the Department of Labor and Industrial Relations, the Hawaii Insurers Council, the ILWU Local 142, and the Chamber of Commerce of Hawaii.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1704, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 942 Labor and Public Employment on S.B. No. 1084

The purpose of this bill is to allow the Board of Trustees of the Hawaii Public Employees Health Fund (Board) to appoint its own legal counsel. The bill also provides that the Attorney General or the Attorney General's representative may serve as the Board's legal adviser.

Under current law, the Attorney General represents the Board as its legal adviser on all issues, rules, contracts, and other matters. However, as a cabinet officer of the Governor, the Attorney General (or the appointed representative) may have a potential conflict of interest, because the Governor is:

- (1) Defined as an "employer" by Chapter 89, Hawaii Revised Statutes;
- (2) An employee of the State; and
- (3) An employee-beneficiary of the Health Fund.

Your Committee received favorable testimony from the Hawaii Government Employees Association.

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

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1084, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 943 Labor and Public Employment on S.B. No. 1317

The purpose of this bill is to require all insurers to establish and maintain a complete local claims service office or engage an independent claims adjusting service as their claims agent in this State with draft authority for the processing of temporary disability insurance payments.

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 has amended this bill by deleting the substance and inserting the provisions of H.B. No. 1000, HD 2.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1317, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1317, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 944 Labor and Public Employment on S.B. No. 1082

The purpose of this bill is to require public employers, upon written request, to disclose the home addresses of employees to the exclusive representatives within 45 calendar days of the receipt of the written request. In addition, the information requested must be made available in a form conducive to electronic data processing if the employer has the capability.

Your Committee received testimony from the Department of Personnel Services, the Hawaii Government Employees Association AFSCME Local 152, and the Department of Civil Service of the City and County of Honolulu.

Upon further consideration, your Committee has amended this bill by deleting the substance and inserting provisions of H.B. No. 1077, HD 1, which requires public employers to disclose the name, social security number, bargaining unit, and the mailing address of each employee on file of the appropriate bargaining unit to the exclusive representative. The exclusive representative must provide the information within a reasonable time from the receipt of the written request.

This measure, as amended, will not apply to information regarding present or former employees involved in an undercover capacity in a law enforcement agency. The information requested must be made available in a form conducive to electronic data processing if the employer has the capability. And, the exclusive representative receiving the information is subject to the same restrictions on disclosure of the records as the originating agency.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1082, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 945 Labor and Public Employment on S.B. No. 1706 (Majority)

The purpose of this bill is to:

- (1) Establish an Employment and Training Fund to assist employers and workers through innovative programs and other means to improve the long-term employability of Hawaii's people;
- (2) Provide a more equitable contribution system designed to create an adequate reserve fund to meet benefit costs but prevent an overaccumulation of moneys; and
- (3) Provide benefit adjustments for unemployed workers.

The employment and training fund established under Section 2 of this bill will be funded by a 0.05 percent assessment on contributing employers that is expected to yield approximately \$3,700,000 annually. The fund will enable the State, in partnership with business, industry, labor, county governments, and community organizations to address the need for skilled workers. It will enable the State to finance programs to meet the requirements of high-growth occupations and new and expanding industries, to assist workers in overcoming employment barriers, to assist workers in improving employment projects, and to finance the operations of the State Employment Service for which full federal funds are not allocated due to budget reductions when the Director deems continued expenditures are necessary for its effective administration.

Sections 6, 7, and 8 of the bill establish a new contribution system which is simpler in concept and operation than the present system of requiring basic contributions and fund solvency contributions. The new system is designed to prevent the overaccumulation of monies in the fund and to provide a more equitable means of reducing employer contributions when the Unemployment Insurance Trust Fund is at levels considered adequate to meet foreseeable requirements.

The benefit adjustments for unemployed workers provided under Sections 3, 4, and 5 of this bill are designed to restore purchasing power they have lost through the taxation of benefits.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1706, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hashimoto.
(Representative Ward did not concur.)

SCRep. 946 Labor and Public Employment on S.B. No. 1373

The purpose of this bill is to reduce the taxable wage base for unemployment insurance contributions for calendar year 1991.

The taxable wage base for employer contributions to the Unemployment Insurance Trust Fund is one hundred percent of the State average annual wage, which would be \$21,400 for 1991. This bill proposes to lower the taxable wage base to \$7,000 for calendar year 1991 only. The proposed temporary tax relief will result in savings to employers of approximately \$46,000,000.

Your Committee agrees that this temporary measure will benefit many employers who have been adversely affected by the economic recession but will not jeopardize the trust fund which has a current balance of approximately \$400,000,000.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1373, SD 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 Hashimoto.

SCRep. 947 Planning and Economic Development on S.B. No. 864

The purpose of this bill is to allow the Director of the Department of Business, Economic Development, and Tourism to transfer funds from the Hawaii Capital Loan Program, without charge or fees, to the High Technology Research and Development Fund if that fund lacks money for projects. The amount of any single transfer is limited to \$100,000, and only one transfer may be outstanding at any one time. The transfer must be repaid within twelve months of receiving the funds. In addition, the bill changes the High Technology Research and Development Fund into a revolving fund to allow any monies not disbursed to be carried over for use in succeeding years.

Testimony in support of this bill was received from the High Technology Development Corporation and private businesses.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 864, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 948 Planning and Economic Development on S.B. No. 1388

The purpose of this bill is to create a Hawaii Film Facility Special Fund (Fund). The Fund will be used as a depository for moneys received from rental of the facility and its props, and for legislative appropriations. The moneys in the Fund must be appropriated for the operation and maintenance of the facility by the Department of Business, Economic Development, and Tourism. The bill also transfers to the Fund moneys already collected from users of the Diamond Head film facility which have been deposited in the High Technology Special Fund.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 1388 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 949 Planning and Economic Development on S.B. No. 1390

The purpose of this bill is to clarify the purpose, duties, and powers of the High Technology Development Corporation (HTDC) and to increase the aggregate limit of loans that can be made by the State to HTDC from \$500,000 to \$1,000,000. The bill will also allow State employees to become members of the HTDC Board and eliminate the requirement that the University of Hawaii faculty member on the HTDC Board be from the Department of Engineering.

Your Committee received testimony in support of this bill from the High Technology Development Corporation.

Your Committee has amended this bill by providing that, in addition to the University of Hawaii faculty member, one other general member of the HTDC Board may be an employee of the State.

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

Signed by all members of the Committee.

SCRep. 950 Planning and Economic Development on S.B. No. 1737

The purpose of this bill is to support a community-based approach to economic development through the provision of grants, loans, and technical assistance to community businesses and organizations. This bill amends Act 311, Session Laws of Hawaii 1990, to allow the funds previously appropriated for the purpose of making loans to be used for grants. The bill also appropriates an unspecified additional sum to the program for grants.

Testimony in support of this bill was received from the Department of Business, Economic Development, and Tourism and several community organizations and individuals.

Your Committee has amended this bill by inserting the sum of \$1 in the appropriation section.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 1737, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1737, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 951 Education on S.B. No. 1381

The purpose of this bill is to establish a commission for performance standards within the Department of Education (DOE) to set the performance standards of achievement expected of public school students and the means to assess educational achievement. In addition, the bill provides for:

- (1) A voting, eleven-member commission, whose terms are to expire on June 30, 1993;
- (2) An interim report from the commission to the Governor, the Legislature, and the Board of Education (BOE) by June 30, 1992, regarding the performance standards and assessment;
- (3) A final report from the commission to the Governor, the Legislature, and the BOE twenty days prior to the convening of the 1993 legislative session regarding the performance standards and assessment;
- (4) Employees, including administrative personnel and a director, to provide support to the commission; and
- (5) The appropriation of funds for each year of the 1991-1993 fiscal biennium.

The Board of Education and the Hawaii Business Roundtable submitted testimony in favor of this bill.

Your Committee has amended this bill by deleting Section 8 of the measure which provides for the hiring of employees to be exempted from Chapters 76 and 77, Hawaii Revised Statutes (HRS), and excluded from collective bargaining under Chapter 89, 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 S.B. No. 1381, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1381, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 952 Education on S.B. No. 1335

The purpose of this bill is to authorize the Department of Education to disclose information with other state or national teacher certification agencies about school personnel who have had their teaching certificates revoked.

This bill will permit the Department to participate in a nationwide program established by the National Association of State Directors of Teacher Education and Certification (NASDTEC) for the exchange of information about individuals who have had their certificates revoked. The information submitted will be compiled with similar information furnished by other cooperating states, and the compiled information will then be distributed to the certifying agency for each participating state. Of the fifty states, only five -- including Hawaii -- are currently not in the program.

Your Committee finds that the information provided by NASDTEC will facilitate the screening of teachers when they apply for positions with our schools.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1335 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 953 Education on S.B. No. 1334

The purpose of this bill is repeal Section 298-10, Hawaii Revised Statutes, relating to the school attendance of blind and deaf children.

The Department of Education testified in support of this measure and stated that guidelines for educating blind and deaf children are included in the federal Education for All Handicapped Children Act and in Chapter 36, Title 8, Administrative Rules, "Provision of a Free and Appropriate Public Education for Exceptional Children Who Are Handicapped."

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1334 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 954 Education on S.B. No. 695

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

Testimony supporting the intent of this measure was submitted by the Department of Education. Your Committee also received supporting testimony from the Department of Transportation, the Marine Science Program Coordinator, the principal and students from Kailua High School.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 695, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 955 Education on S.B. No. 626

The purpose of this bill is to:

- (1) Exempt School/Community-Based Management (SCBM) schools from quarterly allotment requirements;
- (2) Allow SCBM schools to carry over unexpended and unencumbered funds into the second year of the fiscal biennium; and
- (3) Require unexpended and unencumbered funds to be returned to the General Fund at the end of the fiscal biennium.

The Department of Education (DOE), the Hawaii State Teachers Association, the Hawaii Business Roundtable, and the Chamber of Commerce of Hawaii testified in support of the measure. Your Committee received testimony from the Department of Budget and Finance (B & F) in opposition to the measure. The B & F Director testified that the necessary budgetary flexibility could be granted to SCBM schools without making statutory changes at the present time because the DOE is still in the early stages of implementing SCBM.

Your Committee has amended the bill by:

- (1) Adding a purpose section to the bill to provide for the necessary adjustments to be made to the appropriations to implement the SCBM system and to allow SCBM schools to take charge of their own budget affairs;
- (2) Adding a new section to Chapter 37, Hawaii Revised Statutes, to provide that in each year a specified amount of general funds based on a percentage of revenue projections shall be guaranteed for education program improvements or program adjustments; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 626, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 626, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 956 Education on S.B. No. 621

The purpose of this bill is to appropriate funds to be expended by the Department of Education in fiscal year 1991-1992, to implement Section 297-31.1, Hawaii Revised Statutes.

Your Committee finds that this bill is necessary to enable the Department to increase salaries of qualified teachers to provide opportunities and incentives for qualified individuals to teach at public schools.

Your Committee received supporting testimony from the Department of Education and the Hawaii State Teachers Association.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 621, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 957 Education on S.B. No. 544

The purpose of this bill is to appropriate funds to expand the Parent-Community Networking Centers (PCNC) to one hundred schools in the next 1991-1993 fiscal biennium.

The Department of Education, the Chamber of Commerce of Hawaii, the Office of Hawaiian Affairs, the Kaumuali'i Action Team, PCNC facilitators, and other interested individuals testified in favor of the measure. The United Parents for Education Coalition also submitted testimony.

Your Committee has amended the bill by inserting in the appropriation section the sums of \$1,185,588 for fiscal year 1991-1992 and \$2,013,924 for fiscal year 1992-1993 to hire eleven community/parent education teachers (one per adult-school complex) and one educational specialist in community/parent education for acquiring evaluative services and for increasing the number of PCNCs by fifty each year.

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 S.B. No. 544, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 544, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 958 Education on S.B. No. 543

The purpose of this bill is establish the Hawaii Teachers Standards Board to ensure that each teacher in our public schools is qualified to teach.

This bill transfers the responsibility for setting public school teacher certification from the Department of Education (DOE) and instead proposes to share the responsibility for teacher certification between the Hawaii Teachers Standards Board (TSB) and the Board of Education (BOE).

The Hawaii State Teachers Association (HSTA) presented testimony in strong support of this measure, citing the need to ensure that teaching be considered and treated as a profession by setting certification standards that assure that every

teacher is qualified and able to teach. The United Parents for Education Coalition and a private citizen testified against this bill.

The BOE deferred comment on the bill, noting that the BOE has not had an opportunity to formulate an official position on the bill. Your Committee received assurances from the BOE representative that the BOE intends to adopt an official position on this matter at the next BOE meeting and to transmit that information to this Committee. Furthermore, the Board of Directors of the HSTA will not be convening a meeting to consider acceptance of all details contained in the mutually agreed upon proposal until Sunday, March 24, 1991.

However, to ensure timely consideration of this measure in view of the legislative timetable, your Committee has decided to report the bill out for continued discussion.

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

- (1) Revised the definitions of "board" and "teacher" and added the definitions of "TSB" and "valid certificate";
- (2) Changed the composition of the TSB by deleting the BOE member and adding another public member;
- (3) Authorized the Hawaii State Student Council to select a nonvoting student member to serve on the TSB;
- (4) Specified that TSB shall conduct official business and meetings and maintain records pursuant to chapter 92;
- (5) Delineated the final adjudicating authority of the TSB on appeals relating to the issuance, nonissuance, suspension, revocation, and reinstatement of certificates and assessment of fines;
- (6) Clarified that the TSB has the authority to hire an executive director and other necessary staff;
- (7) Empowered the TSB to assess fines;
- (8) Authorized the BOE to also suspend certificates and to develop, administer, and operate alternate certification programs;
- (9) Changed the beginning date of the teacher certificate program to the 1993-1994 school year;
- (10) Clarified that no person shall serve as a bargaining unit 5 teacher without first obtaining a valid certificate from the DOE;
- (11) Amended the penalty provisions to establish that a person or agency can be fined and to create an appeals process;
- (12) Specified that teachers in bargaining unit 5 are issued certificates based on TSB standards and that all other teachers, including private school teachers, are issued certificates based on DOE standards;
- (13) Deleted the TSB one year renewal requirement in the event that the Legislative Auditor does not submit the report to the TSB at least thirty days prior to the submission of the report to the Legislature;
- (14) Clarified that the appropriation of \$67,708 is for each year of the 1991-1993 fiscal biennium; and
- (15) Made numerous technical, nonsubstantive amendments throughout the bill for purposes of style and clarity.

In addition, your Committee has purposefully inserted the figure of \$1 for the penalty provisions to allow the DOE and the HSTA to come to an agreement on the amount of fines to be imposed.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 543, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 543, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 959

Education on S.B. No. 532

The purpose of this bill, as received, is to appropriate funds to provide additional teacher positions to reduce the student-teacher ratio in all public schools in the State.

The Hawaii State Teachers Association, the Chamber of Commerce of Hawaii, and a high school student testified in support of the bill. Your Committee also received testimony from the Department of Education (DOE) and the Hawaii Congress of Parents, Teachers and Students.

While the DOE supports efforts to reduce the student-teacher ratio, it recommends that the twenty to one student-teacher ratio be applied to only the primary grades: kindergarten to grade three. Instead, the DOE favors the option of using para-professionals to improve the learning environment in the upper elementary grades, from grades four to six.

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

- (1) Narrowed the scope of grade levels to receive funds and additional teacher positions to reduce the student-teacher ratio to extend to only the third grade;
- (2) Stipulated that in the event a school does not have extra classrooms to lower the class size to twenty students, then the allocation of teacher positions are to follow the DOE's class size reduction program for kindergarten, and the first and second grades, and the Early Provisions for School Success Program;
- (3) Inserted in the appropriation section the sums of \$3,542,070 for fiscal year 1991-1992 and \$4,250,117 for fiscal year 1992-1993 for one hundred sixty-seven teacher positions in each year of the 1991-1993 fiscal biennium; 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 S.B. No. 532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 532, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 960 Education on S.B. No. 2099

The purpose of this bill is to appropriate funds for a secretary position and two passenger vans for the Storefront Alternative Learning Center of the Department of Education.

For the past 24 years, the "Storefront School" in Wahiawa has serviced the most severely alienated youths of the Central Oahu area. The addition of staff as well as two passenger vans are necessary to successfully facilitate the purposes of the program.

Testimony in support of this measure was submitted by the Department of Education and a private citizen.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2099, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 961 Education on S.B. No. 1852

The purpose of this bill is to establish a minimum standard that public school officials must follow when conducting a warrantless search.

The bill authorizes a public school official to conduct a search of a student's person or personal effects when there is a reasonable suspicion that the search will turn up evidence that the student has violated or is violating the law or school regulations. The search must be limited in scope and reasonably related to its purpose.

The bill also prohibits the Department of Education from establishing procedures less intrusive than the standard provided for in the bill.

Testimony in support of this measure was submitted by the Department of Education, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Police Department of the City and County of Honolulu.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1852, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 962 Education on S.B. No. 1683

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium to provide the necessary equipment, supplies, and services for high school athletics statewide. The funding includes, but is not limited to, providing for safety equipment, medical supplies, athletic supplies, and increased medics/trainer coverage.

The Department of Education and the Athletic Directors and Coaches Association testified in support of this measure.

Your Committee would like to take this opportunity to express its support of the sufficient provision of athletic equipment, supplies, and services, and the promotion of fair high school athletic opportunities for young male and female athletes.

Your Committee has amended this bill by inserting in the appropriation section the sums of \$500,000 for each year of the 1991-1993 fiscal biennium.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1683, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1683, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 963 Education on S.B. No. 1511

The purpose of this bill is to appropriate \$80,000 for fiscal year 1991-1992 to acquire a mobile library classroom for Kapaa Elementary School on Kauai. Specifically, the funds will be used to purchase a library inventory, mobile carts, and shelving for students enrolled in kindergarten through grade six at Kapaa Elementary School.

The Department of Education (DOE) and the Library-Within-the-Classrooms Program from Kapaa Elementary School testified in support of this bill.

Your Committee wishes to point out that while testimony from the Library-Within-the Classrooms program indicates that \$3,000 is sufficient to purchase rolling shelves, this proposed sum may be insufficient to purchase adequate shelving to maintain the mobile library. It is also noted that the DOE will submit a breakdown of its appropriate budgetary needs for the mobile library classroom to the Chair of the House Committee on Education for review and subsequent distribution.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1511, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 964 Education on S.B. No. 1484

The purpose of this bill is to appropriate funds for the 1991-1993 fiscal biennium for expansion and support of the Hawaii Language Immersion Program.

The Department of Education; the Hawaii State Chapter of the National Rainbow Coalition, Inc.; the Office of Hawaiian Affairs, 'Ahaui 'Olelo Hawai'i; Punana Leo O Honolulu; Kia 'Aina, Ka Lahui Hawai'i; and other interested individuals testified in strong support of this bill.

Your Committee has amended this bill by inserting in the appropriation section the 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 S.B. No. 1484, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1484, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 965 Education on S.B. No. 1462

The purpose of this bill is to appropriate \$50,000 in each year of the fiscal biennium for the continuation of the Moving Image Preservation Project (Project) of the Department of Education.

The Department of Business, Economic Development, and Tourism (Department) submitted testimony noting its support of this Project from its inception. In addition, the Department noted its recognition of the significant contributions of film, video, and any moving image medium to historical and archival record keeping efforts. A Hawaii Moving Image Project representative submitted comments regarding the establishment of the Project and listing some of its more notable works such as: the Sesquicentennial Celebration of Captain Cook's Arrival; the Return of the 442nd Infantry; and Pineapple Growing and Canning on Kauai.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1462 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 966 Planning and Economic Development and Intergovernmental Relations and International Affairs
on S.B. No. 831**

The purpose of this bill is to allow the counties to establish special tax districts for the financing of community improvements, maintenance, and services. The counties would be able to levy a special tax on real property located in the district, provided that real property owned by the federal, state, or local governments would be exempt. These districts could only be created with the approval of the owners of at least 55 percent of the real property in the district.

The special tax districts authorized by this bill are similar to the improvement districts counties are already authorized to create. Both mechanisms allow the counties to charge the cost of facilities, improvements, and public services to the users who benefit from them. The advantages of the mechanism proposed in this bill is that it allows the financing of services, and that allocation of the special tax is more flexible than is the allocation of the special assessment in improvement districts.

Testimony in support of the intent of this measure was received from the Office of State Planning, the Office of the Mayor of the County of Hawaii, the Chamber of Commerce, the Hawaii Island Economic Development Board, and the Land Use Research Foundation of Hawaii.

Your Committees on Planning and Economic Development and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 831, SD 2, 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, Tam and Taniguchi.

SCRep. 967 Agriculture on S.B. No. 827

The purpose of this bill is to provide a labeling measure to preserve the quality and reputation of Hawaii-grown macadamia nuts by controlling misrepresentation of the contents and origin of processed macadamia nuts and products.

Testimony from the Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Macadamia Nut Association, MacFarms of Hawaii, and Hawaii Food Industry Association indicated that:

- (1) Misusage of the Hawaiian name or symbols and misrepresentation of the foreign origin and contents of processed macadamia nuts and products are causing marketing losses and financial hardships to the Hawaiian macadamia nut farmers;
- (2) A form of required labeling, such as a seal or a "Hawaiian-grown" logo, is needed to verify that the product contains genuine Hawaiian-grown macadamia nuts and to allow manufacturers who use only Hawaiian-grown kernels to differentiate themselves; and
- (3) For this bill to be effective and enforceable, a definition is needed to indicate exactly what constitutes an Hawaiian-made product.

Since there is currently a resolution being considered requesting a study of the feasibility of expanding State regulatory controls to include the labeling of all agricultural products grown or made in Hawaii, your Committee feels it would be better to wait to address the issue of seals, logos, and symbols until after this study is completed.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 827, SD 1, and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 968 Agriculture on S.B. No. 1819

The purpose of this bill is to:

- (1) Extend the expiration date of Act 237, Session Laws of Hawaii 1988, from July 1, 1991 to July 1, 1993; and
- (2) Broaden the Department of Agriculture's (DOA) authority to issue leases and permits for the location of agricultural processing facilities.

Act 237 authorized the Department of Land and Natural Resources (DLNR) to help the permittees holding qualified agricultural or residential and home gardening revocable permits on State land by negotiating and converting these revocable permits to leases ranging from fifteen to thirty-five years. Act 237 also set the expiration date of July 1, 1991, for this conversion opportunity.

Currently, public lands used for agricultural processing facilities (such as vacuum cooling plants, marshalling yards, livestock feedlots, and accessory buildings) are set aside by Governor's executive order with prior approval of the Board of Lands and Natural Resources (BLNR). Since such lands are set aside for agricultural purposes, this bill would allow the DOA to issue leases and revocable permits for the location of agricultural processing facilities without prior approval of the leases and permits by the BLNR as the law now requires.

Testimony from the DOA, DLNR, and the Waimanalo Revocable Permittees supported the extension of the expiration date from July 1, 1991, to July 1, 1993. The BLNR, however, opposed the broadening of the DOA's authority to issue leases and permits for agricultural processing facilities without the BLNR's approval.

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

- (1) Deleted Section 2 which broadens the DOA's authority; and
- (2) Renumbered the appropriate sections for consistency.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1819, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1819, SD 1, HD 1, and be referred to the Committee on Water, Land Use and Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 969 Agriculture on S.B. No. 2053

The purpose of this bill is to:

- (1) Amend Chapter 421, Hawaii Revised Statutes (HRS), relating to agricultural cooperative associations to include "fish" commodities under the definition of agricultural products;
- (2) Repeal Chapter 422, HRS, relating to the fish marketing associations chapter; and
- (3) Provide a saving clause to prevent any currently registered fish marketing association from being inadvertently dissolved by repeal of Chapter 422, HRS.

Testimony from the Department of Lands and Natural Resources (DLNR) and the Agricultural Cooperative Services, USDA (ACS) indicated that this bill would make it easier for the fish marketing associations to organize under the simpler, flexible, and up-to-date law governing the agricultural cooperative associations; but the savings clause, as written in this bill, would not provide for the continuation of fish marketing associations organized under the Chapter 422, HRS.

Upon further consideration, your Committee has adopted the recommendations of both the DLNR and ACS by making the following amendments to this bill:

- (1) Expanded Section 1 to protect the currently registered fish marketing associations from being inadvertently dissolved by repeal of Chapter 422, HRS, relating to fish marketing associations;
- (2) Deleted Section 3; and
- (3) Renumbered the sections for consistency.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2053, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2053, SD 1, HD 1, and be referred to the Committee on Ocean and Marine Resources.

Signed by all members of the Committee.

SCRep. 970 Labor and Public Employment on S.B. No. 1083

The purpose of this bill is to establish a Teacher Classification and Compensation Review Committee (Committee) to study and report on the issues relating to codification of the teacher compensation and classification schedules.

This Committee would examine the problems associated with codifying the teacher compensation and classification schedules and propose alternative approaches to the Board of Education and the Legislature.

Testimony was submitted by the Department of Personnel Services and the Department of Education.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1083, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 971 Labor and Public Employment on S.B. No. 1286

The purpose of this bill is to authorize appointing authorities to pay travel and transportation expenses, offer monetary recruitment incentives, and hire persons exempt from civil service to fill certain essential positions that are difficult to fill.

Your Committee finds that this measure would address the State's difficulty in recruiting qualified persons in Hawaii's highly competitive labor market by giving the State the authority to provide recruitment incentives.

Testimony in support of the intent of this measure was submitted by the Department of Personnel Services and the Department of Health.

Upon further consideration, your Committee has amended this measure to provide the State with the flexibility to make firm job offers and commitments to permanent positions "on the spot" by permitting the Director of Personnel Services, with the approval of the chief executive, to authorize the appointing department to expeditiously fill a vacancy with any applicant who is qualified for appointment for specific classes.

Technical, nonsubstantive amendments have also 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 S.B. No. 1286, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1286, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 972 Labor and Public Employment on S.B. No. 1449

The purpose of this bill is to increase the membership of the Board of Trustees of the Employees' Retirement System (System) to eleven members to better represent the System's members and retirants.

Testimony was submitted by the Employees' Retirement System, the AARP, and the Coalition of Hawaii State-Counties Retirees Association.

Upon further consideration, your Committee has amended the composition of the Board of Trustees of the System (Board) to include the following:

- (1) The Director of Finance as an ex officio member;
- (2) Five citizens of the State who are not employees, one of whom must be a bank officer, to be appointed by the Governor, with the advice and consent of the Senate, to staggered terms;
- (3) Five members to be appointed by the Governor, with the advice and consent of the Senate, to staggered terms, as follows:
 - (A) One representing bargaining units 1 and 10;
 - (B) One representing bargaining units 2, 3, 4, 6, 8, 9, and 13;
 - (C) One representing bargaining units 5 and 7;
 - (D) One representing bargaining units 11 and 12; and
 - (E) One representing retirants of the System.

Your Committee also made the following amendments:

- (1) Required the System to report its findings and recommendations to the Legislature before the Regular Session of 1992 to ensure a smooth transition when the composition of the existing Board is altered;
- (2) Changed the effective date to take effect on January 1, 1998; provided that the section requiring the Board to report to the Legislature takes effect upon approval; and
- (3) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee is concerned that these changes to the composition of the Board will not adversely affect the terms of existing members. As a result, your Committee is requiring the System to evaluate the situation and to make recommendations, including proposed legislation, to facilitate a smooth transition when these provisions take effect.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1449, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1449, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 973 Labor and Public Employment on S.B. No. 1290

The purpose of this bill is to:

1. allow the appointing authority to credit all types of temporary service toward an employee's probationary period;
2. allow the appointing authority the discretion to credit temporary service to the probationary period; and
3. allow the appointing authority to credit temporary service to employees who move to probationary status in a position with similar duties but in a different class within a department.

Your Committee finds that by providing the State the ability to credit temporary service toward an employee's probationary period will improve the State's ability to retain valuable workers.

Your Committee received testimony from the Department of Personnel Services and TIAA-CREF.

Your Committee has amended this bill by deleting the substance and inserting the provisions of House Bill No. 548, HD 2, which enables the Board of Regents of the University of Hawaii to establish an optional retirement plan for:

- (1) Employees appointed by the Board pursuant to Section 304-11, Hawaii Revised Statutes; and
- (2) Members of bargaining units 7 and 8 as an alternative to their participation in the Employees' Retirement System.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1290, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 974 Labor and Public Employment on S.B. No. 1239

The purpose of this bill is to allow the Board of Trustees of the Employees' Retirement System to have more discretion with regards to the investments made by the Board. This would enable the Board to invest in global fixed-income securities, establish minimum and maximum member home loan mortgage amounts, and determine mortgage interest rates at its discretion. In addition, the bill would eliminate limits in asset classes as a percentage of the total book value of the system's assets.

Your Committee finds that the Board of Trustees has prudently invested the assets of the system and experienced excellent returns during the past few years for the benefit of its members. This bill would give the Board of Trustees greater flexibility to react immediately to the often volatile financial market.

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

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1239, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 975 Labor and Public Employment on S.B. No. 1534

The purpose of this bill is to require the Director of Labor and Industrial Relations to conduct an annual evaluation of the adequacy of unemployment insurance fund balance by taking into account conditions in the State and national economic trends, and report findings to the Legislature before each regular session.

Your Committee finds that annual evaluations will provide valuable information on the impact of local and national economic trends on the solvency of the unemployment insurance trust fund.

Your Committee received favorable testimony from the Department of Labor and Industrial Relations.

Your Committee has amended this bill by changing the effective date to July 1, 1992.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1534, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 976 Labor and Public Employment on S.B. No. 1915

The purpose of this bill is to extend the voluntary job-sharing pilot project to all public sectors.

This bill clarifies that nurses may participate in job-sharing and eliminates the requirements that the Legislative Auditor submit interim status reports on job-sharing in 1992 and 1993.

Your Committee commends the continued success of job-sharing pilot projects in the Department of Education and the Public Library System. This bill will expand the concept of job-sharing to other departments in the public sector. The implementation of this project will address the need for employment flexibility to meet the changing needs of Hawaii's people.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1915, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 977 Labor and Public Employment on S.B. No. 818

The purpose of this bill, as received, is to:

- (1) Provide for the establishment and regulation of family leave by the Department of Labor and Industrial Relations;
- (2) Make an appropriation to administer family leave provisions; and
- (3) Require the Legislative Reference Bureau to study a range of issues concerning family leave.

Your Committee finds 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 Committee finds 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, child labor, and minimum wage laws.

Your Committee recognizes and commends those employers who voluntarily make family leave available to their employees through collective bargaining agreements, employee benefit packages, and other agreements. Employers and employees should have the flexibility to work together to meet each other needs. However, in those instances where family leave is not an option, it is the intent of your Committee that an employee can fall back on a State family law standard.

Your Committee received overwhelming testimony supporting the intent of this measure from representatives of the Department of Labor and Industrial Relations; the Office of Collective Bargaining; the Hawaii State AFL-CIO; the AFL-CIO Local 5; the Hawaii State Commission on the Status of Women; the Kokua Council for Senior Citizens of Hawaii; the Hawaii Nurses' Association; the Hawaii Healthy Mothers, Health Babies Coalition; the American Association of University Women; the Hawaii Women's Political Caucus; Hawaii Women Lawyers; the University of Hawaii Women's Studies Program; the Hawaii State Chapter of the National Rainbow Coalition; the Hawaii Federation of Business and Professional Women's Clubs, Inc.; and other interested individuals.

Testimony in opposition to this measure was submitted by the National Federation of Independent Business, the Retail Merchants of Hawaii, the Hawaii Food Industry Association, the Hawaii Food and Beverage Association, the Hawaii Business League, the Automotive and Retail Gasoline Dealers Association, and the Chamber of Commerce of Hawaii.

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

- (1) Amending the definition of "child" to include a biological, step, adopted, or foster son or daughter;
- (2) Amending the definition of "employee" to mean a person who performs services for hire for not fewer than three consecutive months for the employer from whom benefits are sought;
- (3) Removing references to Sections 392-4 and 392-5, Hawaii Revised Statutes, from the definition of "employment" or "employed";
- (4) Adding a new definition for "parent", which means a biological, foster, or adoptive parent, a parent-in-law, a stepparent, a legal guardian, a grandparent, or grandparent-in-law;
- (5) Adding a new definition for "serious health condition", which means an acute, traumatic, or life-threatening illness, injury, or impairment, which involves treatment or supervision by a health care provider;
- (6) Providing that this measure would not apply to employers with fewer than 50 employees;
- (7) Specifying that family leave entitlement would be for a maximum of three months, not necessarily consecutive months, for birth or adoption or to care for the employee's child, spouse, or parent with a serious health condition; provided that if leave is taken to attend to a serious health condition, the leave may be taken intermittently during a 24-month period when medically necessary;
- (8) Specifying that leave may be paid, unpaid, or a combination of both, and that employees and employers may substitute any of the employee's other paid leaves for part of the three-month family leave period;
- (9) Specifying that nothing in this new chapter will entitle or deny accrual of seniority or benefits to restored employees;
- (10) Giving the Director of Labor and Industrial Relations (Director) jurisdiction over violations of family leave provisions and requiring the filing of a verified complaint with the Director;
- (11) Allowing the Director to hire personnel as necessary to administer and enforce family leave provisions;
- (12) Specifying that this new chapter establishes a minimum standard and that family leave provisions in existing contracts or collective bargaining agreements that offer greater benefits shall take precedence;
- (13) Deleting the section requiring another study by the Legislative Reference Bureau;
- (14) Amending the effective date to take effect on January 1, 1992; and
- (15) Making 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 S.B. No. 818, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 818, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 978 Labor and Public Employment on S.B. No. 2122

The purpose of this bill is to:

1. provide continued funding for the implementational stage of the West Oahu Social and Employment Services Incubator Project; and
2. delete the Director of the Office of State Planning from the incubator board and add the Comptroller or a designated representative.

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 Committee received numerous testimony in favor of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 2122, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 979 Labor and Public Employment and Education on S.B. No. 1338

The purpose of this bill is to increase the maximum salaries of assistant superintendents and district superintendents from not more than \$77,966 a year and of deputy district superintendents to an unspecified range.

Your Committees received favorable testimony from the Department of Education and the Hawaii Government Employees Association.

Your Committees have amended this bill to:

1. require that any teacher promoted to the position of vice-principal be placed in the lowest step of the salary range for vice principals, provided that the new salary shall be an increase of at least twelve percent over the person's last salary as a teacher; and
2. require that the salary of any vice-principal who was promoted to that position under the rule which provided a salary increase of at least eight percent shall be appropriately adjusted to reflect the minimum salary increase of at least twelve percent.

It is your Committees' intent to have this measure apply to vice-principals that are properly certified by the Department of Education.

Your Committees on Labor and Public Employment and Education are in accord with the intent and purpose of S.B. No. 1338, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1338, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 980 Labor and Public Employment and Education on S.B. No. 1337

The purpose of this bill is to appropriate funds for adjustments made to the educational officer classification/compensation plan by the educational officer classification/compensation appeals board.

Section 297-31.3, Hawaii Revised Statutes, which establishes the procedure for educational officer classification appeals, provides that decisions of the appeals board be binding on the parties and authorizes the appeals board to make any necessary adjustments to affected classes where appeals have been filed. This bill appropriates the funds to effectuate the adjustments made by the appeals board.

Your Committees received favorable testimony from the Department of Education and the Hawaii Government Employees Association.

Your Committees on Labor and Public Employment and Education are in accord with the intent and purpose of S.B. No. 1337, SD 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 981 Health and Human Services on S.B. No. 1799

The purpose of this bill is to extend the availability of relay services to persons with speech impairments.

Testimony was given in favor of the bill by the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, the Hawaii Speech-Language-Hearing Association, the Hawaii Services on Deafness, and Hawaii Speech Pathology.

Your Committees believe that relay services for persons who are otherwise unable to communicate effectively via telephone are beneficial services, and should be accessible to all who need them.

Your Committees on Health and Human Services are in accord with the intent and purpose of S.B. No. 1799, SD 1, and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives M. Ige and Peters.

SCRep. 982 Health and Human Services on S.B. No. 140

The purpose of this bill, as amended, is to allow the release of medical records regarding a persons HIV status when the release is made for the purpose of the Child Protective Act, Chapter 587, Hawaii Revised Statutes. The bill also clarifies the mandatory reporting of cases alleging domestic abuse.

The bill has been amended by:

- 1) added a purpose section to clarify the connection between HIV status, medical records and child abuse;
- 2) based on consensus language presented by the Department of Health, the Governor's Committee on AIDS and the Department of Human Services, Page 3, lines 6-21 of the bill have been amended to further clarify the method in which a persons medical records will be released.

Your Committees recognize that the status of ones HIV status is a very personal matter, and must be dealt with in the strictest confidence.

Your Committees on Health and Human Services are in accord with the intent and purpose of S.B. No. 140, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 140, SD 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives M. Ige and Peters.

SCRep. 983 Health on S.B. No. 480

The purpose of this bill is to establish a statewide resource team to set-up a comprehensive program of mental health services for deaf and hard-of-hearing persons. In establishing this program, the Director of the Department of Health will be required to follow the recommendations found in a 1990 report entitled, "A Plan for the Delivery of Mental Health Services to Persons Who are Deaf and Hard-of-Hearing", submitted by the Hawaii State Coordinating Council on Deafness.

The following organizations submitted testimony in strong support of this measure: the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, and the State Advisory Council on Mental Health and Substance Abuse. The Department of Health and private citizens also submitted testimony in support of this measure.

The bill has been amended by inserting the sum of \$40,000 for each fiscal year in the appropriation section.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 480, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 480, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 984 Health on S.B. No. 1775

The purpose of this bill, as received, is to appropriate an unspecified amount of funds to establish a pediatric immunology program to provide family-centered pediatric immunology services for HIV antibody and antigen positive infants and children from birth to 21 years of age.

Testimony was received in favor of this bill from the Department of Health, the Governor's Committee on AIDS, the Life Foundation, the HIV Coalition for Hawaii's Women, Children, and Families, a public health professional, Baby S.A.F.E. Hawaii State Council on Chemical Dependency and Pregnancy, the Hawaii Health Mothers Health Babies Coalition, Hawaii Nurses' Association, the Hemophilia Foundation of Hawaii, the Healthcare Association of Hawaii, the Maui AIDS Foundation, and the Kapiolani Medical Center for Women and Children.

Currently, this is the only pediatric HIV immunology program in the State. Participation in this program allows the State to be involved in Federal pediatric HIV/AIDS activities. Since this is the only program of its kind in the State, your Committee believes that full funding should be restored.

The bill has been amended to appropriate \$125,000 in fiscal year 1991-1992 and \$130,000 for fiscal year 1992-1993, to the Department of Health to establish a pediatric immunology program for HIV infants and children from birth to 21 years of age.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1775, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1775, SD 1, HD 1, and be referred to the Committee on Finance.

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

SCRep. 985 Health on S.B. No. 356

The purpose of this bill, as received, is to appropriate an unspecified amount to the Department of Health to provide funding to The House, Inc., to implement the Housing Assistance Project.

Testimony was received in favor of the bill from the Department of Health, the State Advisory Council on Mental Health and Substance Abuse, The House Inc., the Mental Health Coalition, St. Louis House, and the Mental Health Association in Hawaii. No testimony was given in opposition.

The bill has been amended to appropriate \$150,000 for fiscal year 1991-1992, and \$150,000 for fiscal year 1992-1993.

Your Committee wishes to note that some of the above appropriations were included in the House version of the Executive Budget.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 356, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 356, SD 1, HD 1, and be referred to the Committee on Finance.

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

SCRep. 986 Health on S.B. No. 1736

The purpose of this bill, as received, is to appropriate an unspecified amount to the Department of Health to provide funding for the Waianae Adolescent Health Network.

Testimony was received in favor of the bill from the Department of Health, Hawaii Youth at Risk, Child and Family Service, the Waianae Coast Community Mental Health Center, Inc., the Waianae Coast Comprehensive Health Center, the Waianae Coast Time Out Nurseries, Inc., Waianae Adolescent Health Network, Waianae Coast Day Care Centers, Inc., The Institute for Family Enrichment, American Friends Service Committee, Waianae Quick Kokua Transition Center, Waianae Coast Coalition for Human Services, and the Mental Health Association in Hawaii.

The Waianae Adolescent Health Network serves as a communication center for all of the various agencies that provide services in the Waianae Coast area. This service helps to coordinate care and prevent duplication of service.

The bill has been amended to appropriate \$71,135 for fiscal year 1991-1992, and \$61,475 for fiscal year 1992-1993.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1736, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1736, SD 1, HD 1, and be deferred to the Committee on Finance.

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

SCRep. 987 Health on S.B. No. 1372

The purpose of this bill is to:

- (1) Allow the Department of Health (Department) to establish charges and fees for any services provided; and
- (2) Prohibit the Department from refusing to provide a service due to a client's inability to pay the fee established for the service.

The Department submitted testimony in strong support of this measure noting that, currently, there is a great variation in its authority to establish charges and fees for services rendered.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1372, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 988 Health on S.B. No. 1572

The purpose of this bill is to appropriate unspecified amounts to the Department of Health for the 1991-1993 fiscal biennium, for perinatal support services.

Testimony was received in favor of the bill from the Department of Health, the Hawaii State Primary Care Association, Kalihi-Palama Health Clinic, Kokua Kalihi Valley Comprehensive Family Services, Hawaii Health Mothers-Healthy Babies Coalition, Mothers Care, Honolulu Community Action Program, Inc., the Hawaii State Commission on the Status of Women, the Hawaii Public Health Association, the Perinatal Support Coalition, and the Waianae Coast Comprehensive Health Center. No testimony was received in opposition to the bill.

Your Committee believes that perinatal care is a pay now or pay later cost. Ensuring that pregnant woman and new born children receive proper medical benefits will save the State significant amounts of money in medical costs that would have been incurred when the child got older.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1572, SD 2, 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. 989 Health on S.B. No. 1567

The purpose of this bill is to establish uniform statewide regulations for the sale of cigarettes from vending machines. Specifically, cigarette sales from vending machines in areas accessible to the public would be prohibited unless the operation of the vending machine is supervised by an adult who will ensure that cigarette sales to minors do not occur.

The \$1,000 per day fine included in this measure would apply to:

- (1) Placement of a cigarette vending machine in an area not under the direct supervision of an adult; and
- (2) Activities which would allow a minor to use a cigarette vending machine.

The Tri-agency Coalition submitted testimony noting that approximately 16 states currently have similar laws restricting the sales of tobacco products in vending machines.

Your Committee finds that this measure is necessary for the health, welfare, and safety of the minors in this State.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1567, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 990 Health on S.B. No. 721

The purpose of this bill, as amended, is to:

- 1) Appropriate \$1,707,921 and \$2,337,662 to the Department of Health for fiscal years 1991-1992 and 1992-1993, respectively, for the development of a statewide comprehensive system of mental health care for children and adolescents; and
- 2) Appropriate \$431,428 to the Department of Health for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 to provide substance abuse treatment and services.

The following items were incorporated into the House version of the Executive Budget from HB 265, companion bill to SB 721:

- (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) \$400,000 for fiscal year 1991-1992 and \$700,000 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) \$500,000 for fiscal year 1991-1992 and \$600,000 for fiscal year 1992-1993 to provide ten secure residential treatment beds for adolescents;
- (d) \$300,000 for fiscal year 1991-1992 and \$400,000 for fiscal year 1992-1993 for ten open residential treatment beds for adolescents;
- (e) \$200,000 for fiscal year 1991-1992 and \$300,000 for fiscal year 1992-1993 to provide adolescent residential treatment on the island of Hawaii;
- (f) \$100,000 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 for the Salvation Army's Women's Way treatment program;
- (g) \$50,000 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 for five adolescent residential treatment slots on Oahu;

In order to ensure a comprehensive system of care for Hawaii's children and adolescents, SB 721, SD 1, has been amended by:

- 1) Appropriating moneys for programs and services as follows:
 - (a) \$363,542 and 333,000 for fiscal years 1991-1992 and 1992-1993, respectively, for establishing one additional children's day treatment program on Maui;
 - (b) \$643,850 and 676,043 for fiscal years 1991-1992 and 1992-1993, respectively, to expand the families for R.E.A.L. program;
 - (c) \$210,000 and 462,000 for fiscal years 1991-1992 and 1992-1993, respectively, to expand the parent connection program to five catchment areas;
 - (d) \$26,000 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 to establish one additional case management position on the Big Island for seriously emotionally disturbed child's care;
 - (e) \$131,640 for fiscal year 1992-1993 to establish six additional case management positions for seriously emotionally disturbed child's care;
 - (f) \$138,350 for fiscal year 1992-1993 to develop a statewide management information system for the Children and Adolescent Mental Health Division;
 - (g) \$21,184 for fiscal year 1992-1993 to expand the training and staff development program for the Children and Adolescent Mental Health Division;
 - (h) \$73,740 for fiscal year 1992-1993 to establish no more than the following three positions according to the need: accountant IV, clerk-steno II, and clerk typist for the Children and Adolescent Mental Health Division;
 - (i) \$223,529 and \$234,705 for fiscal years 1991-1992 and 1992-1993, respectively, to purchase child psychiatric services for the Children and Adolescent Mental Health Division's children's team;
 - (j) \$241,000 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 to expand the services provided by the Waianae Children and Adolescent Mental Health Program;
 - (k) \$275,928 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 to continue school-based substance abuse treatment for adolescents; and
 - (l) \$155,500 for fiscal year 1991-1992 and the same amount for fiscal year 1992-1993 to purchase five adolescent residential treatment slots on Oahu for substance abuse treatment.
- 2) Adding criteria which the department must comply to for the allotments to occur.
- 3) Making other technical, nonsubstantive changes for purposes of clarity, style and consistency.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 721, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 721, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 991 Health on S.B. No. 153

The purpose of this bill is to give physically handicapped persons the right to be accompanied by a service dog in public places and prohibits discrimination in certain transactions because a service dog is used.

Testimony was received unanimously in favor of the bill from the Hawaii State Coordinating Council on Deafness, the Commission on Persons with Disabilities, Veterinary Consultation Services, the Hawaiian Humane Society and the Hawaii Civil Rights Commission.

As the number of guide, signal and service dogs increase in Hawaii, your Committee feels that a uniform method of identification should be created so that interested parties will know when someone is accompanied by one of these dogs. Although this bill does not cover the identification issue, your Committee wants to enter this concern into the record.

Your Committee has amended the bill to include deaf persons using signal dogs as well as blind, visually or physically handicapped persons. Nonsubstantive amendments for clarity and style have also been made.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 153, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 153, SD 1, HD 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Peters.

SCRep. 992 Intergovernmental Relations and International Affairs and Human Services on S.B. No. 249

The purpose of this bill is to require the counties to include in their respective building codes, provisions which would require that all showers in new dwelling units be equipped with individual shower control valves with a pressure balance or thermostat unless the temperature of the water from the showerhead is limited to 110 degrees Fahrenheit. The shower control requirements would apply to building permits issued after December 31, 1992.

The Hawaii Housing Authority and the Plumbing and Mechanical Contractors Association of Hawaii submitted testimony in support of this measure.

Your Committee finds that burns caused by extremely hot household water is more frequent than desired for the young, the elderly and the disabled. It is hoped that this measure will make homes safer and prevent shower related burn accidents.

Your Committees on Intergovernmental Relations and International Affairs and Human Services are in accord with the intent and purpose of S.B. No. 249, SD 1, and recommend that it pass Second Reading and be referred to the Committee on Housing.

Signed by all members of the Committees except Representative M. Ige.

SCRep. 993 Intergovernmental Relations and International Affairs on S.B. No. 569

The purpose of this bill is to exempt projects owned by a county from the statutory provisions allowing the Housing Finance and Development Corporation to share in the appreciation in value of units benefitting from rental assistance payments at the time of refinancing or prepayment of the eligible project loans.

The exemption only applies if the monetary gain realized by the county through appreciation in value is used to fund affordable housing.

Your Committee finds that the counties have difficulty in maintaining a high rating on bonds issued for housing development, and the exemption provided for in this bill enables them to maintain a high rating on these bonds. Where the value of the county's equity in a project given to secure the bonds is lessened, the county's bonds are jeopardized.

Testimony in support of this measure was submitted by the Housing Finance and Development Corporation, the Department of Housing and Community Development of the City and County of Honolulu, the Office of Housing and Community Development of the County of Hawaii, the County of Kauai Housing Agency, and the Affordable Housing Alliance, Elder Housing Committee.

Your Committee amended this measure to provide that only counties with populations of 500,000 people or less will qualify for the exemption mandated in this measure.

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 S.B. No. 569, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 569, SD 1, HD 1, and be referred to the Committee on Housing.

Signed by all members of the Committee.

SCRep. 994 Intergovernmental Relations and International Affairs on S.B. No. 440

The purpose of this bill is to provide a general excise tax (GET) exemption relating to the gross proceeds received from the sale of goods or services to the counties.

Your Committee finds that the GET exemption would transfer a significant amount of funds to the counties to provide essential county services and to lessen each county's need for State grant-in-aid assistance.

Testimony was submitted by the Department of Taxation, the Department of the Budget of the City and County of Honolulu, the Department of Finance of the County of Hawaii, the Hawaii State Association of Counties, the City Council of the City and County of Honolulu, the Maui County Council, the Hawaii County Council, the Tax Foundation of Hawaii, and the Conference of Oahu Neighborhood Boards.

Upon further consideration, your Committee has amended this bill to ensure that legislative prerogative and fiscal review can be maintained over the funds that are appropriated. Specifically, this measure would require the counties to annually request the Department of Budget and Finance for reimbursement of their GET expenditures. The Department of Budget and Finance would then submit to the subsequent Legislature the county claim for the prior fiscal year for reimbursement through the legislative appropriation of funds in the amount of the claim.

In addition, the effective date has been amended to take effect on July 1, 1991.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of S.B. No. 440, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 440, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 995 Intergovernmental Relations and International Affairs on S.B. No. 1907

The purpose of this bill is to require the Director of Finance for each county to submit a yearly itemized report of all program and project expenditures funded from moneys appropriated by the Legislature in the preceding session.

This measure would increase accountability on the part of the counties as well as the State to resident taxpayers by ensuring that public funds are expended for intended public purposes.

Your Committee has amended this bill by requiring the counties to submit yearly, itemized reports on the status of all expenditures for programs and projects from moneys that were appropriated by the Legislature in the two preceding sessions. The reports will indicate the principle sources of revenue, summarize the expenditures made, and include a balance statement. Other technical, nonsubstantive changes were 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 S.B. No. 1907, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1907, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 996 Intergovernmental Relations and International Affairs on S.B. No. 1630

The purpose of this bill is to correct an unintended authorization in Section 46-1.5(10), Hawaii Revised Statutes. Specifically, during the recodification process for this particular section, the counties were inadvertently authorized to give credit or make loans to individuals and corporations on a very broad basis without limitation contrary to long-standing public policies. This measure corrects this inadvertent error.

The Department of Finance of the City and County of Honolulu submitted testimony in support of this measure.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of S.B. No. 1630, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 997 Intergovernmental Relations and International Affairs on S.B. No. 1254

The purpose of this bill is to:

- (1) Require each county to submit a written report to the Department of Budget and Finance listing all unused or unassigned private activity bond allocations by December 15 of each year; and
- (2) Stipulate that if a county does not indicate to the Department of Budget and Finance whether the unused or unassigned allocation will be utilized, the allocation will revert to the State.

Your Committee finds that this bill would provide greater flexibility in the management of the private activity bond volume cap and enhance the efficient management of private activity bonds.

Testimony in support of this measure was submitted by the Department of Budget and Finance and the Department of Finance of the City and County of Honolulu.

Your Committee has amended this bill by:

- (1) Delegating the reporting responsibility listing the allocations to be carried forward by a county for any unused or unassigned amounts to the Director of Finance of the county or any insurer;
- (2) Specifying that this Act shall take effect upon its approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of S.B. No. 1254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1254, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 998 Consumer Protection and Commerce on S.B. No. 1218

The purpose of this bill is to:

- (1) Require utility companies to:

- (A) File public service company tax returns on a fiscal yearly basis rather than on a calendar yearly basis; and
- (B) Provide payment for the public service company tax on a quarterly fiscal year basis;
- (2) Conform limitation periods for public service company tax assessments and refunds with State income tax laws; and
- (3) Allow utilities to file an amended return during the first two years of operation for an adjustment on any estimated public service company tax return, in lieu of an administrative redetermination by the Director of Taxation.

Your Committee finds that this bill would substantially ease the burden of administering the public service company Tax by:

- (1) Placing the burden more properly upon the public service company to file an amended tax return to adjust the estimated tax return filed;
- (2) Simplifying the accounting and record keeping functions of taxpayers who follow the fiscal year rather than the calendar year; and
- (3) Facilitating compliance of the tax by utility companies.

Supportive testimony was submitted by the Department of Taxation; the Tax Foundation of Hawaii; Gasco, Inc.; and Hawaiian Electric Industries, Inc.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1218, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 999 Consumer Protection and Commerce on S.B. No. 1222

The purpose of this bill is to require an applicant seeking approval for the transfer of a liquor license to submit signed certificates issued by the Director of Taxation and the Internal Revenue Service to the Liquor Commission demonstrating that the applicant and the transferor are not delinquent in the payment of state or federal taxes, penalties or interest prior to the issuance of the license.

Your Committee finds that:

- (1) The Legislature deleted a provision mandating liquor license transferors to present a tax clearing certificate to the Liquor Commission prior to the issuance of a liquor license to transferees through the adoption of Act 171, Session Laws of Hawaii 1990;
- (2) The absence of the tax-status disclosure provision has provided marginal operators a means to circumvent paying state and federal taxes; and
- (3) This bill would reenact the tax-status disclosure requirement for liquor license transferors, require transferors to pay all tax debts owed to state and federal governments, and eliminate a tax loophole before its exacerbation.

Supportive testimony was submitted by the Department of Taxation, the Tax Foundation, and the Hawaii Hotel Association.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1222, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1000 Consumer Protection and Commerce on S.B. No. 1213

The purpose of this bill is to amend the laws relating to the collection and payment of restitution to consumers in actions brought by the Office of Consumer Protection.

The bill removes unnecessary restrictions on the court in ordering restitution to injured consumers, allows the Office of Consumer Protection to establish and maintain an account to hold and disburse money received or recovered that is due to consumers as restitution, and allows the Director of the Office of Consumer Protection to assign the restitution portion of any judgment to a consumer at the Director's "sole discretion".

Your Committee was concerned that the sole discretion standard previously mentioned was overbroad and, therefore, amended the bill to remove the sole discretion language. As amended, the bill still allows the DCCA to assign claims to consumers. However, the Committee intends that the discretion to assign the claim to an individual consumer is not to be exercised lightly and is most appropriate in certain types of cases such as when consumers request the authority to proceed

on their own, where the difficulty of collection in terms of cost or time makes proceeding unacceptable, or if greater harm to the consumer may be caused by proceeding.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1213, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1213, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1001 Consumer Protection and Commerce on S.B. No. 1230

The primary purposes of this administration bill are to amend Section 235-68, Hawaii Revised Statutes (HRS), 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, the Chamber of Commerce, the Tax Foundation, the Hawaii Association of Realtors, and PRL Corporation testified. All supported lowering the withholding tax, and the Department of Taxation and PRL Corporation recommended changes to the definition of resident to include foreign corporations and partnerships.

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:

- 1) The transferor will not realize any gain with respect to the transfer, or if there will be insufficient proceeds to pay the withholding after the payment of all costs; or
- 2) 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, is 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 on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1230, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1002 Consumer Protection and Commerce on S.B. No. 1914

The purpose of this bill is to:

- (1) Establish a uniform tax of three percent on the gross premiums of all insurance policies, including life insurance, ocean and marine, and title contracts;
- (2) Repeal the general excise tax exemption for insurance and specify that all amounts received other than amounts received as premiums on insurance contracts be taxed at the general excise rate of four percent;
- (3) Establish tax record keeping and reporting requirements for insurance companies;
- (4) Require taxes on gross insurance premiums to be collected on a quarterly basis, with payments to be based on either:
 - (A) The actual taxable gross premiums received for the first two months of the quarter multiplied by 1.5; or

- (B) 27.5 percent of the insurer's tax liability for the pending calendar year;
- (5) Authorize tax credits, not exceeding 1.2 percent of the gross premiums taxed, to insurers who:
 - (A) Maintain financial records and documents in a fashion easily accessible by the Insurance Commissioner;
 - (B) Maintain personnel knowledgeable of the insurer's financial operations in the State of Hawaii; and
 - (C) Conduct substantially all authorized underwriting, policy issuing, and policy servicing in Hawaii;
- (6) Furnish a rebate policy to insureds from insurers who receive refunds as a result of taxes paid over the year; and
- (7) Provide an alternative schedule of tax rates should provisions in this bill be deemed unconstitutional.

Your Committee has amended this bill by deleting the substance and inserting the provisions of H.B. No. 2174, HD 1, which proposes to:

- (1) Cancel preferential tax rates levied on Hawaii insurance companies by taxing all authorized insurers at the same rates:
 - (A) 3.2 percent for life insurance contracts;
 - (B) 4.3 percent for non-life insurance contracts; and
 - (C) 0.8775 percent on the gross underwriting profit of ocean marine insurance contracts;
- (2) Require taxes on gross insurance premiums to be collected on a quarterly basis with payments to be based on either:
 - (A) The actual taxable gross premiums received for the first two months of the quarter multiplied by 1.5; or
 - (B) 27.5 percent of the insurers tax liability for the pending calendar year;
- (3) Authorize tax credits, not exceeding 1.2 percent of the gross premiums taxed, to insurers who:
 - (A) Maintain financial records and documents in a fashion easily accessible by the Insurance Commissioner;
 - (B) Maintain personnel knowledgeable of the insurer's financial operations in the State of Hawaii; and
 - (C) Conduct substantially all authorized underwriting, policy issuing, and policy servicing in Hawaii;
- (4) Furnish a rebate policy to insureds from insurers who receive refunds as a result of taxes paid over the year; and
- (5) Provide an alternative schedule of tax rates should provisions in this bill be deemed unconstitutional.

Testimony was offered by the Department of Taxation, the Department of Commerce and Consumer Affairs, the Hawaii Domestic Preference Legislative Groups, and the Hawaii Domestic Insurers Tax Committee.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1914, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1914, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1003 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on S.B. No. 1523

The purpose of this bill is to require that thirty per cent of all royalties collected by the State from geothermal resources be paid to the county in which the mining operations covered under a State geothermal resource mining lease are situated.

The royalties would be divided as follows:

1. Fifty per cent to the State;
2. Thirty per cent to counties; and
3. Twenty per cent to the Office of Hawaiian Affairs.

Your Committees believe that the royalties received by the State and paid to the counties should be used only for the expeditious mitigation of the negative impact, if any, of geothermal development.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 1523, SD 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1004 Energy and Environmental Protection and Consumer Protection and Commerce on S.B. No. 1892

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist Olokele Sugar Company with the construction and operation of an upgraded power generating system, enabling it to increase the amount of electrical power supplied to Kauai Electric Company.

Testimonies in support of this bill were received from the following: Department of Business, Economic Development and Tourism; county of Kauai; Hawaii Sugar Planters' Association; and Olokele Sugar Company, Limited.

Your Committees find that the upgraded system would provide an additional five megawatts capacity of electrical energy for sale to the Kauai Electric Company, further reducing dependency on fossil fuels for the generation of electrical power.

Your Committees have amended this bill by extending the date on which the bond authorization would lapse from June 30, 1993 to June 30, 1994, to permit additional time for Olokele Sugar Company to work with the Department of Budget and Finance in the issuance of these bonds should delays occur.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 1892, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1892, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ward.

SCRep. 1005 Energy and Environmental Protection on S.B. No. 1962

The purpose of this bill is to amend certain provisions of Chapter 342J, Hawaii Revised Statutes, which deal with hazardous waste requirements to make the State's hazardous waste regulatory program substantially equivalent to the federal Resource and Recovery Act (RCRA) program administered by the United States Environmental Protection Act (EPA) as part of a plan to obtain authorization from the EPA for the State to administer its hazardous waste program in lieu of the federal RCRA program.

Your Committee made further amendments to this bill for the purpose of conformity with the federal law. The following amendments were made:

- (1) A new section was added to chapter 342J, Hawaii Revised Statutes, which would allow the director to establish standards for persons who deal with hazardous fuels;
- (2) A new section was added to chapter 342J, Hawaii Revised Statutes, which would allow claims against a guarantor when a owner or operator is insolvent or cannot be availed to the jurisdiction of the court;
- (3) Section 342J-16, Hawaii Revised Statutes, was amended by deleting language requiring prior court approval by a party attempting to intervene in an action; and
- (4) Sections of the bill were reorganized for the purpose of style.

Your Committee believes this bill would allow the State to develop a hazardous waste management program which would meet the specific needs of the State.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1962, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1962, SD 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1006 Energy and Environmental Protection on S.B. No. 1998

The purpose of this bill is to allow banks and other financial corporations to participate in the State's energy conservation program by offering these taxpayers the same energy conservation tax credits offered to other taxpayers under section 235-12, Hawaii Revised Statutes, for the taxable years beginning after December 31, 1990.

Your Committee finds that this bill would increase the availability of financing for energy conservation measures.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1998 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1007 Energy and Environmental Protection on S.B. No. 1273

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 State's interest in protecting important watersheds, native Hawaiian plants and animals, and produce renewable forest resources is very dependent on these private forested areas. Your Committee recognizes that stewardship of private forest lands requires a long-term commitment by the private landowners, as well as incentives provided by the State.

Your Committee received testimonies in support of this measure from many sources, including: the Department of Land and Natural Resources, the Department of Health, the Nature Conservancy of Hawaii, the Hawaii Society of American Foresters, the ILWU Local 142, and the Natural Resources Defense Council.

Your Committee believes that the House version of this bill will add to the impact of this measure for the protection and restoration of important watersheds, timber resources, fish and wildlife habitats, and isolated populations of rare and endangered species of plants and animals. Therefore, your Committee has amended S.B. No. 1273, SD 2, by deleting its contents and inserting the contents of H.B. No. 1699, HD 2.

As amended, this bill:

- (1) Clarifies the functions and duties of the Department of Land and Natural Resources and the Board of Land and Natural Resources, since the Department of Land and Natural Resources will be responsible for the implementation of this law;
- (2) Deletes the word "forest" from the definition of "Landowner" to permit other types of land to fall within the scope of this bill;
- (3) Requires the Department to submit an annual report to the Governor and Legislature;
- (4) Exempts grants made pursuant to this chapter from the provisions of chapter 42, Hawaii Revised Statutes;
- (5) Includes provisions to permit in-kind services such as use of heavy equipment and existing sources of labor in lieu of cash for the landowner's share of cost;
- (6) Permits former forest areas such as pastures and cleared lands to qualify for the benefits of this bill;
- (7) Adds the definition of "native vegetation";
- (8) Requires agroforestry management and related harvest activities of timber resources to be limited to lands that were cleared prior to January 1, 1991;
- (9) Adds language to clarify that management plans, departmental review, approval and rules be consistent with the new chapter; and
- (10) Provides for an appropriation of \$50,000 for each fiscal year of the biennium.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1273, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1273, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1008 Energy and Environmental Protection on S.B. No. 1329

The purpose of this bill is to enact a petroleum industry reporting act by which oil industry data is reported to the State. The Department of the Attorney General, while conducting an investigation of the dramatic increase in gasoline prices after the Exxon Valdez oil spill, indicated great difficulty in collecting information for its preliminary report. This report stated that legislation should be enacted to require refiners, terminal operators, and other wholesalers of petroleum products to report to the State of Hawaii, such information as:

- (1) Raw material, production, storage, and marketing costs;
- (2) Sales revenues and volumes of sales;
- (3) Profits from Hawaii operations; and
- (4) Weekly foreign and domestic imports of petroleum and petroleum products.

This bill will require producers, refiners, marketers, storers, and transporters of oil products to report to the Director of Business, Economic Development, and Tourism all data relating to the supply and price of petroleum products in Hawaii, including the data mentioned in the Attorney General's preliminary report. The Director would provide a quarterly analysis and interpretation of the data to the Governor and the Legislature. Random audits and inspections are permitted. Failure of a person to provide specified information, or one who provides false statements shall be subject to civil penalties. Confidentiality of information necessary to protect the petroleum industry is assured.

The Attorney General pointed out that regular petroleum industry information concerning certain aspects of the industry is essential for the State to develop and administer energy policies which are in the interests of the economy and the public's well-being. Such information is now lacking.

The Department of Business, Economic Development and Tourism supports the intent of this measure, but expressed concern about funding for auditors and financial analysts not now within the Department.

The Hawaii Automobile and Retail Gasoline Dealers' Association supports the bill.

Pacific Resources, Inc. submitted testimony in support of the bill, but requested that public utilities be exempted, since they are regulated by the Public Utilities Commission which already requires regular reports.

Your Committee has made a technical, nonsubstantive amendment to correct a typographical error.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1329, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, SD 1, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 1009 Energy and Environmental Protection on S.B. No. 103

The purpose of this bill is to create general excise and fuel tax exemptions arising from the sales of alternative fuels used as motor vehicle fuel.

Your Committee finds that a decrease in Hawaii's dependency on oil for conversion to gasoline and diesel fuel is desirable. Therefore, the development and implementation of other fuel technologies should be encouraged in order to provide suitable substitutes for oil.

This proposed bill would encourage the development and implementation of alternative fuel technologies by amending Chapter 237, Hawaii Revised Statutes, to provide exemptions from excise taxes from the sales of alternative fuels used in motor vehicles. The definition of fuels eligible for taxation under the fuel tax law is also amended by amending Section 243-1, Hawaii Revised Statutes, to exclude alternative fuels from the fuel tax law.

Support for this bill was received, although there were concerns about the limited numbers of vehicles which might be affected by the use of alternate fuels. The Department of Taxation expressed concern about the impact of the tax exemption on total revenues.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 103, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1010 Energy and Environmental Protection on S.B. No. 1718

The purpose of this bill is to appropriate funds to the Department of Health to capitalize the leaking underground storage tank fund established under section 342L-51, Hawaii Revised Statutes.

Your Committee believes that an alternate approach, as set forth in H.B. No. 335, HD 1, is a better approach to deal with underground storage tanks and compliance with federal requirements. Your Committee has amended this bill by deleting its contents in its entirety and inserting the contents of H.B. No. 335, HD 1.

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 Committee included language in this amended bill to exempt from the assessment of the restoration fee, petroleum fuels used by regulated electric utilities for the generation of electricity.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1718, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1718, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1011 Energy and Environmental Protection on S.B. No. 1524

The purpose of this bill is to require the installation and use of restricted water flow devices and fixtures in all new construction projects after June 31, 1993.

Your Committee has amended this bill by deleting its language in its entirety and inserting the contents of H.B. No. 936, HD 2. As amended, this bill would amend section 342D-54 by requiring any state or county agency receiving grants or loans from the State Water Pollution Revolving Fund to mandate the installation of approved low flow water fixtures in all new residential and public buildings.

Your Committee realizes that transporting water requires energy; the less water used means energy is conserved. Your Committee feels that low flow water fixtures will save not only water but energy.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1524, SD 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1524, SD 3, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1012 Energy and Environmental Protection on S.B. No. 1378

The purpose of this bill is to protect and preserve Hawaii's scenic beauty and its native plants and animals by establishing a Natural Area Partnership Grant Program in the Department of Land and Natural Resources. The program will provide \$2 of State funds for each \$1 that the private sector contributes for the management of private lands that are dedicated to conservation.

Your Committee finds that it will be less expensive to engage in a cost-sharing partnership between the government and the private sector to manage private natural areas and watersheds than for the government to acquire lands through purchase or condemnation and then have to manage the lands. Your Committee feels certain that this bill will do much to encourage private landowners to manage their lands in a manner consistent with the conservation goals of the State.

Supportive testimonies were received from many sources, including the Department of Land and Natural Resources, the Nature Conservancy of Hawaii, the Hawaii Society of American Foresters, the ILWU Local 142, the Natural Resources Defense Council, and the Hawaii Visitors Bureau.

Your Committee believes that the House version of this bill will extend the effectiveness of this bill by complementing the Senate version. Therefore, your Committee has amended S.B. No. 1378, SD 2, by deleting its contents and inserting the contents of H.B. No. 1697, HD 2.

As amended, this bill:

- (1) Clarify the functions and duties of the Department of Land and Natural Resources and the Board of Land and Natural Resources.
- (2) Permits the Department to make inspections of the private lands after prior landowner notification;
- (3) Provides that if amendments are made to the management plan, they shall be available for public review;
- (4) Includes provisions to permit in-kind services such as use of heavy equipment and existing sources of labor in lieu of cash for the landowner's share of cost;
- (5) Exempts grants from the provisions of chapter 42, Hawaii Revised Statutes;
- (6) Removes the exception "where available" for publication of a notice of public hearings in a newspaper of general circulation in the county where the natural area is located;

- (7) Deletes the word "forest" from the definition of "Landowner" to permit other types of land to fall within the scope of this bill;
- (8) Provides that the Department submit a detailed report annually to the Governor and Legislature;
- (9) Provides for an appropriation of \$250,000 for each fiscal year of the biennium; and
- (10) Makes other technical nonsubstantive amendments to this bill for purposes of style and clarity.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1378, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1378, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1013 Judiciary on S.B. No. 1797

The purpose of this bill is to require that persons convicted of abuse of family or household members under section 709-906, Hawaii Revised Statutes, to appear in court subsequent to sentencing to provide proof of compliance with the court's sentence, unless a court officer has determined that the defendant has already complied which may enable the defendant's presence to be waived.

Your Committee received testimony in support of the bill from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Judiciary, the Child and Family Service, the Hawaii State Coalition Against Sexual Assault, and the Hawaii State Commission on the Status of Women.

The Office of the Public Defender submitted testimony with language clarifying the intent of the bill.

Your Committee finds that abuse of family and household members is a serious problem and may escalate to dire consequences or further abusive behavior by the abused if the abuser is not treated. Your Committee finds that the requirement to provide evidence of compliance with the court's order to undergo counseling or treatment will ensure the safety and tranquility of family members and diminish the possibility of future abusive behavior.

Your Committee has adopted the recommendations of the Office of the Public Defender and has amended the bill to clarify that the date the person is to provide compliance with the order be set on the date of sentencing. Your Committee has further amended the bill to account for the flow in time from the date of sentencing, through the defendant's providing proof of compliance, through the waiving of the defendant's presence at the hearing on the proof of compliance. Your Committee further intends to make clear that proof of compliance is to include all the conditions that are made a part of a person's sentence and not only those conditions outlined in the bill.

Your Committee further finds that the public is not fully aware of the subject of domestic violence and abuse and the resources available to victims of abuse. Therefore, your Committee amended the bill by inserting an appropriation section for funds to require the commission on the status of women to disseminate information about domestic violence, to undertake a fact-finding community forum, and to recommend solutions.

Your Committee intends to make clear that the imposition of counseling and treatment is not mandatory and that the courts should have the discretion to apply the Act depending upon the facts and circumstances of each individual case and therefor your Committee has deleted the appropriation to the family court.

Your Committee has further amended the bill by inserting the sum of \$1 for the appropriation section to the commission on the status of women for the purposes of further discussion.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1797, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1797, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1014 Judiciary on S.B. No. 125

The purpose of this bill is to streamline the process involved in the filing of court documents in district and circuit courts by revising the filing fee schedule set forth in Sections 607-4 and 607-5, Hawaii Revised Statutes.

The revision of the filing fee schedule should offset losses in revenues and decrease some court costs to the public.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 125 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1015 Judiciary on S.B. No. 1167

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 and Maui Police Departments, the Judiciary, the Kauai, Maui 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:

- (1) Inserting the amount of \$ 1.00 for the appropriation amounts for fiscal years 1991-1992 and fiscal years 1992-1993.
- (2) Amending section 2(b) by adding "fingerprints" to the list of items that shall not be stored in the juvenile justice information system because it is not the intention of your Committee to expand juvenile fingerprinting in minor criminal matters.
- (3) Adding a requirement that any reference to collecting and disseminating information must be made pursuant to the Uniform Information Practices Act. This also eliminated the need for subsection 4 of section 2 relating to the limitations on dissemination.
- (4) All amendments to Hawaii Revised Statutes section 571-74 in section 4 were deleted.
- (5) Technical nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1167, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1167, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1016 Judiciary on S.B. No. 1110

The purpose of this bill is to provide funding for staff positions in the Adult Protective Services Unit of the Department of Human Services (Department).

Act 381, Session Laws of Hawaii 1989 required the Department to provide protective services to dependent adults who are abused, neglected, or exploited. However, no positions were created for the implementation of these services.

Testimony in support of this measure was submitted by the Department, the State Planning Council on Developmental Disabilities, the American Association of Retired Persons, the Queens Medical Center, and the Community Task Force on Elder Abuse and Neglect.

Your Committee has amended this measure by:

- (1) Appropriating \$1 each for fiscal years 1991-1992 and 1992-1993 to establish permanent full-time positions in the Department's Adult Protective Services Unit; 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 S.B. No. 1110, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1110, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1017 Judiciary on S.B. No. 1842

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 Hawaii Advisory Commission 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) Changing "fiscal year 1991-1992" in Sections 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22 to "fiscal years 1991-1992 and 1992-1993".
- (5) Making technical nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1842, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1842, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1018 Judiciary on S.B. No. 1839

The purpose of this bill is to require individuals who have been convicted of sex offenses or classified as career criminals to submit to blood and saliva testing to be used for a DNA identification profile which will allow law enforcement officials to identify reoffenders.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Attorney General. Opposing testimony was received from the Office of the Public Defender.

Your Committee finds that 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 profile which will assist in identifying perpetrators in acts of crime.

There has been an issue raised as to the constitutionality of this measure since it may be considered intrusive. In a 1990 case in California, a prostitute challenged the constitutionality of a statute which required her to submit to AIDS testing even though she had not engaged in conduct which presented a risk of transmission. The California court upheld the statute ruling that the individual's privacy interests were outweighed by the need to control the transmission of AIDS, particularly in light of the minimal intrusion involved by a blood test and the limitations placed on dissemination of the results.

The Hawaii Supreme Court upheld urinalysis testing in light of the diminished privacy rights of convicted defendants and the limited intrusion involved. This measure would balance the needs of society and the rights of defendants. Society must deter the commission of violent acts and sexual offenses and to aid in the identification of those who continue to commit these offenses. Given this need, providing one sample of saliva and two blood samples cannot be said to be unreasonable, especially given the limited privacy rights of convicted defendants, the minimal intrusion involved, and the limitations placed on dissemination of the results by Chapter 846, Hawaii Revised Statutes.

Currently, eight states now have legislation establishing procedures for DNA testing of certain individuals and for maintaining a databank of the profiles obtained.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1839, SD 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 Arakaki.

SCRep. 1019 Judiciary on S.B. No. 1424

The purpose of this bill is 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. These positions, however, 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 Committee finds that the prosecuting attorney conducts highly sensitive investigations involving confidential personnel, and criminal information. Because of the need for confidentiality, the discretion to choose appointees is crucial for effective investigations.

Your Committee further finds that only the City and County of Honolulu has a chief investigator position established and which has been a civil service position. A civil service position created by the counties should also be under the purview of the civil service statute.

Your Committee has amended this bill by replacing the section to be amended, section 76-16, Hawaii Revised Statutes, which pertains to the State civil service system, with section 76-77, which pertains to county civil service systems, to accurately carry out the purpose of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1424, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1424, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1020 Judiciary on S.B. No. 1186

The purpose of this bill is to allow money received from settlement of claims or losses of the State to be deposited into the State Risk Management Revolving Fund.

Currently, monies received from the settlement of claims or for losses of the State revert to the General Fund. The deposit of these monies into 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 S.B. No. 1186, SD 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 Arakaki.

SCRep. 1021 Judiciary on S.B. No. 1847

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, and police chiefs of the City and County of Honolulu, and the counties of Hawaii, Kauai and Maui.

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 the 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 by inserting the sum of \$1 for each appropriation section.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1847, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1847, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1022 Transportation on S.B. No. 1269

The purpose of this bill is to require a court to revoke the driver's license of any person convicted of murder, manslaughter, and negligent homicide when the death resulted from the convicted person's operation of a motor vehicle. This bill also provides a mechanism to petition for a new license.

Under current law, vehicular manslaughter is the only homicide offense that requires that the driver's license of the convicted person be revoked. Your Committee agrees that this penalty should be expanded to include other homicide offenses that causes a death.

Your Committee received testimony from the Department of Transportation, Office of the Attorney General, Office of the Public Defender, Honolulu Police Department, and Mothers Against Drunk Driving (MADD).

Your Committee has amended this bill by removing negligent homicide in the third degree from the homicide offenses that require license revocation.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1269, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1269, SD 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tam.

SCRep. 1023 Transportation on S.B. No. 1297

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 nine million dollars is not the primary reason for the passage of this bill, it is still an important consideration.

Your Committee also finds that Act 342, 1986, required the Department of Transportation to submit a study, consisting of two reports, one due in 1988 and the other due in 1991. This study was to evaluate the effectiveness of Act 342 and include, but not be limited to, information and recommendations relating to the extent to which Act 342 has reduced accidents, injuries, and fatalities caused by driving under the influence of intoxicating liquors, and the extent to which compliance has been achieved with this Act.

Your Committee further finds that the Department of Transportation failed to submit essential information as required by Act 342. Your Committee has thus amended this bill by extending the sunset provision for two years to await the Department of Transportation's report as required by Act 342. Your Committee has further amended this bill to include a section outlining the responsibilities of the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1297, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tam.

SCRep. 1024 Transportation and Health on S.B. No. 771

The purpose of this bill is to establish a minimum fine for litter violations and to require work detail that entails the picking up of litter.

Your Committees find that currently the courts may impose penalties for littering on any public or private property. The enactment of this measure would require the courts to impose mandatory penalties for littering and, hopefully, thereby decrease the amount of litter found in our environment.

Your Committees received favorable testimony from the Department of Transportation and the Department of Health.

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

Your Committees on Transportation and Health are in accord with the intent and purpose of S.B. No. 771, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 771, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives M. Ige, Tam and Tatibouet.

SCRep. 1025 Transportation on S.B. No. 1088

The purpose of this bill is to permit the use of blue lights on Department of Public Safety vehicles, as authorized and approved by the Director of Public Safety.

This bill will allow vehicles utilized by the Department of Public Safety to be recognized when in use to meet an emergency situation.

Your Committee received testimony from the Department of Public Safety and the Honolulu Police Department.

Your Committee has amended this bill by specifying that in regards to the Department of Public Safety, only vehicles utilized by public safety officers authorized and approved by the Director of Public Safety may be exempt from this section.

Your Committee has also 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 S.B. No. 1088, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1088, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tam.

SCRep. 1026 Transportation on S.B. No. 1310

The purpose of this bill is to amend Section 264-13, Hawaii Revised Statutes, to provide that the Governor or the Director of Transportation, as the Governor's designee, may dispose of easements and access rights within and along the State highways.

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

Your Committee finds that the passage of this bill will expedite the disposal of easements and access rights within and along State highways.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1310, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tam.

SCRep. 1027 Transportation on S.B. No. 1307

The purpose of this bill is to amend Section 286-102, Hawaii Revised Statutes, by adding trucks and vans with a gross vehicle weight of ten thousand pounds or less as a motor vehicle, the operation of which requires a driver's examination and license.

Your Committee finds that this bill is necessary to correct an inadvertent omission from Act 320, Session Laws of Hawaii 1989, which is also reflected in Act 342, Session Laws of Hawaii 1990.

Your Committee received testimony in support of the measure from the Department of Transportation, the Department of Finance of the City and County of Honolulu, and the Hawaii Transportation Association.

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

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1307, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tam.

SCRep. 1028 Transportation on S.B. No. 1304

The purpose of this bill is to authorize the Director of Transportation to adopt rules relating to the licensing and regulation of all commercial activities on airport premises. This bill also includes penalty provisions for violations.

Your Committee received testimony from the Department of Transportation and a concerned citizen.

Your Committee finds that there are situations and activities that occur on the premises of State airports that requires licensing and regulation. The Department of Transportation testified that noncommercial activities may also be subject to reasonable regulations when such activities endanger the general public and welfare.

Your Committee has amended this bill by authorizing the Department of Transportation to adopt rules and regulations relating to noncommercial activities on airport premises. Your Committee has also amended this measure by reinserting the term "general public" because it is a term of art interpreted and understood by the courts. Further technical, non-substantive amendments were made for the purposes of style and clarity.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1304, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1304, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tam.

SCRep. 1029 Transportation on S.B. No. 212

The purpose of this bill is to require the phone number of the Office of Consumer Protection to be included on every posted notice that prohibits vehicles from parking on property without authorization.

Your Committee finds that while many tow operators are honest and conscientious, some attempt to collect more than the maximum amount allowed by law. While tourists may be the easiest victims, residents unfamiliar with the maximum

towing charges allowed under Section 290-11, Hawaii Revised Statutes, can also be victimized. Both tourists and residents may be unaware that the Office of Consumer Protection is the agency to which consumer complaints can be directed. This measure would ensure that both tourists and residents would be aware of this information.

Your Committee received testimony in favor of the bill from representatives of the Hawaii Automotive and Retail Gasoline Dealers Association and the Hawaii Tow Truck Association. However, the Hawaii Bankers Association expressed opposition because it felt that the bill's provisions placed an onerous burden on property owners who must post the notices.

While in agreement with the intent of the bill, your Committee believes that the bill's objectives can be met without requiring property owners to revise the posted notices. Your Committee also believes that providing owners of towed vehicles with information regarding maximum allowable towing charges is in the public interest.

Therefore, your Committee has amended the bill to require the towing companies to:

- (1) Include on the written notice mailed to the legal owner and registered owner of the vehicle a statement with the phone number of the Office of Consumer Protection and the maximum towing charges and fees allowed by law; and
- (2) Provide to the owner of the vehicle, who recovers the vehicle prior to receiving the mailed written notice, a receipt containing a statement with the phone number of the Office of Consumer Protection and the maximum towing charges and fees allowed by law.

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

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 212, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 212, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Tam.

SCRep. 1030 Transportation on S.B. No. 712

The purpose of this bill is to extend the public service company tax exemption for contract carriers by water that are engaged primarily in the business of transporting persons interisland until 1996.

Your Committee received testimony from the Department of Taxation, the County Council of Kauai, the County of Hawaii Department of Finance, American Hawaii Cruises, Hawaii Pilots Association, and the Tax Foundation of Hawaii.

Your Committee finds that this legislation was enacted in 1981 to revitalize Hawaii's tourist industry by encouraging the transportation of visitors within the State by water. In addition to diversifying our visitor industry, Hawaii's cruise ship industry is a substantial generator of business and employment.

Your Committee also finds that locally based interisland cruise ships are in competition with foreign based cruise lines in Mexico, the Caribbean, and Canada. Since these cruise lines are foreign flag ships, they are exempt from federal taxes on liquor sales, gift shop sales, purchases, payrolls and employee compensation. These exemptions have given foreign based cruise liners a distinct competitive advantage over our Hawaii based interisland cruise ships.

Your Committee further finds that an annual review of the general financial records of the common carrier claiming this public service company tax exemption is vital to justify the continuation of this exemption and to provide for public accountability.

Your Committee has amended this bill by extending the public service company extension to June 30, 1994. Your Committee has further amended this bill by requiring contract carriers claiming the public service company exemption to submit an annual financial report to the Department of Taxation and the State Legislature.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 712, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tam.

SCRep. 1031 Transportation and Higher Education and the Arts on S.B. No. 1312

The purpose of this bill is to permit the use of studded snow tires on the Mauna Kea access road.

Your Committees find that this bill is necessary because of the hazardous road conditions that exist on the Mauna Kea access road. Your Committees find 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 Committees also find that the traffic that utilizes the Mauna Kea access road would not cause appreciable damage to the paved road.

Your Committees received testimony from the University of Hawaii, the Canada-France-Hawaii Telescope Corporation and the Joint Astronomy Centre.

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

Your Committees on Transportation and Higher Education and the Arts are in accord with the intent and purpose of S.B. No. 1312, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1312, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Tam, Taniguchi and Tatibouet.

SCRep. 1032 Transportation and Intergovernmental Relations and International Affairs on S.B. No. 25

The purpose of this bill is to facilitate disposal of abandoned vehicles towed by the counties when registered or legal owners of these vehicles refuse to accept notice by certified mail.

Your Committees received testimony in support of this bill from the Department of Transportation, the City and County of Honolulu Department of Finance, a representative of the Hawaii Tow Truck Association, and Hawaii Automotive and Retail Gasoline Dealers Association. The foregoing witnesses expressed concern that abandoned vehicles remain an ongoing problem to the public.

Your Committees find that abandoned vehicles serve no public purpose and spoil the view of Hawaii's scenery. Your Committees further find that many legal or registered owners of abandoned vehicles refuse to cooperate with the counties' efforts to remove abandoned vehicles by refusing to accept the notice sent by certified mail.

Your Committees have amended the bill by deleting the substantive contents of the bill and by inserting therein the substance of H.B. 1344, HD 2. The purpose of this bill is to remove the requirement for a return receipt and deem the notice received by the legal or registered owner five days after the mailing of the notice. The bill also provides that the new notice provision apply to the removal of abandoned vehicles initiated either by the owner of property where the vehicle is located or by the State or counties.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 25, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 25, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Tam.

SCRep. 1033 Transportation on S.B. No. 1902

The purpose of this bill is to strengthen and clarify the notification procedures and requirements applicable to the towing of abandoned vehicles.

Specifically, the bill gives companies that tow or store abandoned vehicles possessory liens on the vehicles and their contents for all reasonable charges for towing, storage, and administrative costs relating to the liens and their foreclosure if certain notice requirements are met.

Your Committee finds that tow companies serve the public in several ways by removing trespass and abandoned vehicles from private and public property. A possessory lien on the vehicle and its contents makes it possible for a tow company to recover costs incurred when it becomes necessary to dispose of an abandoned vehicle.

Your Committee received testimony in support of this measure from the State Department of Transportation, the City and County of Honolulu Department of Finance, representatives of the Hawaii Tow Truck Association and the Hawaii Automotive and Retail Gasoline Dealers Association. Your Committee also received testimony from the Hawaii Bankers Association which raised concerns that the possessory lien would subordinate a financial institution's security interest in instances in which a financial institution is the legal owner of the vehicle.

While your Committee is in general agreement with the intent and purpose of this bill, your Committee has amended the bill to address concerns raised during the hearing. Your Committee believes that the response time for information on the abandoned vehicle's owner from the Department of Transportation and the County's Department of Finance to the tow company should be as brief as practical. Current practice indicates that five working days is sufficient. Therefore, your Committee has amended the bill accordingly.

Additionally, your Committee believes that while a possessory lien should not take precedence over a perfected security interest, the tow company is entitled to reimbursement for accrued charges prior to a legal owner taking possession of the vehicle. Therefore your Committee effected amendments to Section 290-11 (c) to accomplish this objective.

Finally your Committee also made certain technical, non substantive amendments for the purpose of clarity and style.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1902, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1902, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tam.

SCRep. 1034 Transportation and Health on S.B. No. 1956

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 composition and 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 Committees also find that a neurologist is most qualified to determine the capabilities of a person afflicted with epilepsy.

Your Committees received testimony from 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 have also made technical nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Transportation and Health are in accord with the intent and purpose of S.B. No. 1956, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1956, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives M. Ige, Tam and Tatibouet.

SCRep. 1035 Transportation and Intergovernmental Relations and International Affairs on S.B. No. 1332

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. Further amendments were also made to correct the insurance law chapter numbers contained in Section 286-108 and 286-116, Hawaii Revised Statutes.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 1332, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1332, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Tam.

SCRep. 1036 Transportation and Intergovernmental Relations and International Affairs on S.B. No. 1224

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 from the general excise tax within certain limits.

Your Committees received testimony from the Department of Taxation, Department of Finance of the City and County of Honolulu, and the Tax Foundation of Hawaii.

Your Committees have amended this bill by inserting a definition for an automated guideway transit system and by including such transit system in the county transportation systems that are eligible for the general excise tax exemption.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 1224, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1224, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tam.

SCRep. 1037 Energy and Environmental Protection on S.B. No. 1053

The purpose of this bill is to require the Department of Land and Natural Resources to submit annual reports to the Legislature on the status, use, and disposition of the Wildlife Revolving Fund.

The report shall include but not be limited to:

- (1) The source and application of moneys deposited into the fund, including a description of the criteria and process used to determine funding priorities;
- (2) A description of programs and activities supported by the fund;
- (3) A summary of program highlights and accomplishments; and
- (4) A description of future program plans, including specific goals and objectives.

Testimonies in support of S.B. No. 1053 were heard from the following: the Department of Land and Natural Resources; Sportsmans Council of Hawaii; Safari Club International, Hawaii Chapter; and Koko Head Skeet Club. There was no testimony in opposition to this bill.

Your Committee finds that the reporting requirement will insure accountability in the use of public funds, as well as provide needed information for the Legislature.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1053 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1038 Energy and Environmental Protection on S.B. No. 925

The purpose of this bill is to appropriate an unspecified amount of funds in 1991-1992, and the same sum or so much thereof as may be necessary for fiscal year 1992-1993, for the closure of the Kealakehe landfill, provided the county of Hawaii matches the appropriations. Funds are to be expended by the county of Hawaii.

Your Committee finds that the Kealakehe landfill is approaching capacity, and that it already constitutes a health hazard from the emission of methane gas, as well as from the contamination of groundwater. Funds provided in this bill will enable the county of Hawaii to proceed with the closure of this landfill and make use of a new site which has been selected.

Support for this measure was provided by the following: the State Department of Health; the Housing Finance and Development Corporation; Department of Public Works, Hawaii County; Hawaii Leeward Planning Conference; and the Aqua/Waste Engineers, Kailua Kona. There was no opposing testimony.

Your Committee has amended this bill by inserting the amount of \$1 for fiscal year 1991-1992 and \$1 for fiscal year 1992-1993 for the purpose of inserting a more accurate determination at a later date.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 925, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 925, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1039 Energy and Environmental Protection on S.B. No. 248

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Department of Accounting and General Services to purchase and install energy efficient lighting in existing State office buildings.

Your Committee is aware that energy efficiency and conservation are major goals of State government in Hawaii. Your Committee finds that the replacement of incandescent light bulbs with energy efficient fluorescent bulbs would result in better lighting at a lower cost.

This bill appropriates funds in the amount of \$30,000 for the purchase and installation of high efficiency bulbs, ballasts, and fixtures in existing State buildings as replacements for less efficient lighting.

This bill received support from the Department of Accounting and General Services and the Department of Commerce and Consumer Affairs. The Department of Commerce and Consumer Affairs observed that the implementation of this measure would save taxpayers money, as well as would be setting a good example for the public and private sectors.

Your Committee has amended this bill by changing and to or on page 2, line 11, since the Department of Accounting and General Services indicated that it would be impossible to complete all three options within the appropriated amount.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 248, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 248, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1040 Energy and Environmental Protection on S.B. No. 163

The purpose of this bill is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$7,000,000, to assist the Wailuku River Hydroelectric Power Company, Inc., in the establishment of a hydroelectric power plant and related facilities on the Wailuku River and Kalohewa Stream in the county of Hawaii.

Your Committee finds that the issuance of the special purpose revenue bonds will result in establishment of a hydroelectric power plant which will help to reduce Hawaii's dependence on imported oil.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 163 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1041 Energy and Environmental Protection on S.B. No. 1756

The purpose of this bill is to require the Director of Health to adopt rules under the environmental response or state "superfund" law to define the reportable quantities of hazardous substances that may be released into the environment and to establish the time period within which the party responsible for the release must notify the Department of the release. This bill also provides that releases that occurred prior to July 1, 1990, shall not be subject to the notification requirement of the law.

Your Committee finds that Hawaii's superfund law was passed in 1988 to provide the Director of Health with a mechanism to finance the immediate clean up of hazardous substances released into the environment and to recover all costs incurred by the Department as the result of any actions taken from the parties responsible for the release. In 1990, the law was amended to enable the Department to adopt necessary rules and to fully implement the law. However, due to the controversial nature of the 1990 amendments, the Department of Health has thus far been unable to develop draft rules acceptable to all parties concerned. To allay some of the concerns generated as the result of the 1990 amendments, the State administration submitted proposed legislation to the 1991 Legislature for consideration.

Your Committee finds that although it presently focuses on a specific portion of the law, this bill is one of the few remaining measures with a focus that is broad enough to encompass amendments that would reflect the general intent and approach of H.B. No. 957. In this regard, your Committee has amended this bill in its entirety by inserting, in a revised form, portions of the text originally contained in the administration's proposal.

As amended, this bill adds new sections to the environmental response law with respect to:

- (1) The apportionment of clean up costs among liable parties, the determination of an orphan share by the court, and procedures for any person who has incurred costs under the law to seek contribution or indemnity from any liable person;
- (2) The administrative review of clean up orders;
- (3) De minimis settlements in civil or administrative actions;
- (4) Citizen's suits;
- (5) Ensuring against duplicative enforcement under the federal law and the state law; and
- (6) Exempting removal and remedial actions from state or county permitting requirements.

Although it is stated clearly in the section relating to the apportionment and contribution, your Committee wishes to reiterate that the liability for any costs or expenditures under the provision shall be joint and several among the parties involved in the clean up order, and that the State shall not be apportioned any costs or liability under the section. The power to allocate any costs under the section shall be vested in the court.

Additionally, your Committee finds that the new provision relating to citizen's suit will expand the effectiveness of Hawaii's environmental response law. Because the provision was taken directly from the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the section will place Hawaii's law on an equal footing with the federal law, with respect to citizen's suits.

This bill also amends existing sections of the environmental response law by:

- (1) Adding new definitions for the terms "contractual relationship" and "person" and amending the definitions of the terms "hazardous substance", "natural resources", "pollutant or contaminant", and "release";
- (2) Increasing the fines payable by any person who knowingly releases a hazardous substance or fails to notify the Department of Health of a release;

- (3) Repealing the existing procedure for judicial review and establishing a new procedure for the court to concurrently review orders issued by the Director of Health;
- (4) Amending sections of the law relating to the uses of the fund, liability, the state contingency plan, civil penalties, recordkeeping requirements, confidentiality of information, and employee protection; and
- (5) Repealing the section relating to removal and remedial orders.

Your Committee finds that this bill will assist in clarifying the procedural aspects of the environmental response law. However, your Committee wishes to emphasize that the procedures established in this bill to allow for the concurrent review of orders should under no circumstances interfere with the obligation of the party to abide by the terms of the director's order until such time that a judgment modifying or reversing the actions called for in the order is issued by the appropriate authority.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1756, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1756, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Stegmaier.

SCRep. 1042 Energy and Environmental Protection on S.B. No. 1726 (Majority)

The purpose of this bill is to assist Puna Geothermal Venture in financing the geothermal energy projects in Puna, Hawaii; provided that the facilities to be financed shall meet with the approval of the state and the county of Hawaii.

Your Committee recognizes that a decrease in Hawaii's dependency on imported oil through the utilization of alternative indigenous energy resources would benefit our economy, as well as reduce problems should shortages of imported fuel occur.

Your Committee has determined that the State must consider a wide range of methods and technologies in order to reduce consumption of imported fuel. Therefore, your Committee has added language which also considers conservation, energy efficiency along with integrated resource planning as the means to foster energy self-sufficiency.

Testimony was generally supportive of this bill. The Department of Land and Natural Resources pointed out that the approval of special purpose revenue bonds does not involve the expenditure of State funds, nor does it affect the State's credit rating. Rather, it becomes a vehicle for expediting private financing. A representative from Puna Geothermal Venture gave a progress report on the project and offered reasons for approval of the bonding request. Opponents of the bill stressed the impact of this bill on the State's bond ceiling, that geothermal energy production would not appreciably reduce our dependence on oil, and that conservation of energy is a better approach.

Your Committee has further amended this bill by deleting language that states geothermal energy is a rich renewable energy source and that geothermal would contribute significantly to the State's energy self-sufficiency. Your Committee also amended this bill by deleting the \$5,000,000 amount for special purpose revenue bond authorization and inserting the amount of \$1.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1726, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1726, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.
(Representative Hagino did not concur.)

SCRep. 1043 Intergovernmental Relations and International Affairs on S.B. No. 1247

The purpose of this bill is to make amendments to Act 15, Session Laws of Hawaii 1988 (Act 15), with regard to housing projects developed by the Housing Finance and Development Corporation (HFDC). Specifically, this measure would:

- (1) Clarify that the counties are required to accept the dedication of streets, vehicular right of ways, and other public facilities or easements developed pursuant to Act 15 from the HFDC or developer;
- (2) Extend the provisions of Act 15 for two more years; and
- (3) Clarify that the final plans and specifications for a housing project developed pursuant to Act 15 would constitute the general plan, development or community plan, zoning, building, construction, and subdivision standards of the county in which the project is located.

Act 15 was enacted to address the critical shortage of safe, sanitary, and affordable housing units in the State by establishing the HFDC and giving it the flexibility to develop affordable housing units on its own behalf or in concert with eligible developers within a self-regulatory environment, without compromising health, safety, environmental, and shoreline management requirements.

Although the HFDC has been successful in developing affordable housing in the State, your Committee recognizes the disharmony existing between the counties and the State which can be attributed to the passage and enactment of Act 15. It is, therefore, the intent of your Committee to address the following significant concerns raised by the affected parties:

- (1) To ensure that the health and safety of the units' inhabitants and the residents of the surrounding neighborhoods and communities are not compromised; and
- (2) To limit the liability of the counties because they must accept the dedication of streets and other public facilities and easements that they have not approved.

The HFDC assured your Committee that it would work more closely with the counties in the future. And it is hoped that the concerns raised by the counties during the public hearing process will be fairly and amicably resolved by the next legislative session. For example, it is the hope of your Committee that the HFDC develop an inspection process to ensure that minimum standards of health and safety are being met.

With regard to the proposal to extend the moratorium for another two years, your Committee finds that this amendment is premature at this time. It should be noted that while many new housing projects have been developed since the enactment of Act 15 in 1988, not enough time has passed to thoughtfully and objectively examine and evaluate whether the purposes of Act 15 have been fully met. In addition, the HFDC concedes that since the moratorium terminates in 1993, it is not critical to further extend the deadline at this time.

Testimony was submitted by the HFDC, the Hawaii Housing Authority, the Mayor of the County of Maui, the Department of the Corporation Counsel of the City and County of Honolulu, the Department of Land Utilization of the City and County of Honolulu, the Department of Public Works of the City and County of Honolulu, the Department of Transportation Services of the City and County of Honolulu, the Office of Housing and Community Development of the County of Hawaii, the County of Kauai Housing Agency, the Kauai County Council, the Maui County Council, the Hawaii County Council, and a concerned citizen.

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

- (1) Removing the section extending the moratorium for another 2 years;
- (2) Indemnifying the counties against liability when they must accept the dedication of streets and other public facilities and easements that they have not approved;
- (3) Clarifying that the subdivision, construction, and building standards of the state or county that are then in force, not otherwise exempt by the HFDC, will be the standards used in determining whether the subdivision or construction documents meet minimum standards of health and safety; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of S.B. No. 1247, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1247, SD 1, HD 1, and be referred to the Committee on Housing.

Signed by all members of the Committee except Representatives Tam and Yonamine.

SCRep. 1044 Energy and Environmental Protection on S.B. No. 1766

The purpose of this bill is to promote the use of solar energy for water heating by requiring solar water heating in residential housing constructed on State lands or with State funds or subsidized by the State.

Your Committee believes the State should move away from the reliance on imported fuels and using solar energy for water heating is a step towards this goal.

After reviewing this bill and H.B. No. 78, HD 1, your Committee has merged the language of both bills and added language in order that this amended bill will address the concerns of all parties that testified. As amended this bill would:

- (1) Require the installation of solar water heating equipment after June 30, 1992;
- (2) Provide for the following exemptions from the required installation:
 - (A) Projects developed by the Housing Finance and Development Corporation (Corporation) on behalf of the Hawaii Housing Authority;
 - (B) Projects developed by private nonprofit corporations;
 - (C) When the Corporation determines that solar water heating equipment is ineffective or impracticable; or
 - (D) Multi-unit dwellings.
- (3) Require the Corporation to install or require the installation of any energy saving water heating device which is effective when the Corporation determines that solar water heating is ineffective or impracticable;

- (4) Establish a loan program for homeowners who, but for the cost of the energy saving device, would have been able to afford the home.

Your Committee would have inserted language into this bill to indicate other types of energy saving devices, but has been advised that such language would conflict with the title of the bill and make the bill unconstitutional. Your Committee does not intend for other types of energy saving devices to be excluded and this intent is reflected in the paragraph below.

Your Committee recognizes that solar water heating systems may not be effective or practicable in all situations and has included language to require the Corporation to use other types of energy saving water heating devices. Your Committee has determined that the Corporation shall consider heat pumps and high efficiency gas water heaters as other types of energy saving devices.

Your Committee was concerned that installation of solar water heaters or other energy saving devices may cause difficulties for some persons to qualify for home loans. Your Committee is convinced that the requirement for installation of energy saving devices will not seriously affect the affordability of homes for the following reasons:

- (1) This bill establishes a loan program to meet the increase in cost of the home due to installation of a energy saving device; and
- (2) The Department of Business, Economic Development, and Tourism testified that a financial analysis has determined that the entire cost of a solar system can be financed through a mortgage. The savings due to the State solar tax credit and savings in monthly utility bills would help offset the initial cost of energy saving devices.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 1766, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1766, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Stegmaier.

SCRep. 1045 Ocean and Marine Resources and Transportation on S.B. No. 1306

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 persons who permit or mislead others into permitting the violation of this law.

This bill is similar to H.B. No. 1032 that was previously heard by your Committees on Ocean and Marine Resources and Transportation.

The Department of Transportation testified in support of this bill.

Your Committees on Ocean and Marine Resources and Transportation are in accord with the intent and purpose of S.B. No. 1306 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Takamine.

SCRep. 1046 Ocean and Marine Resources on S.B. No. 870

The purpose of this bill is to appropriate funds for the development of a germplasm collection center to ensure the maintenance of existing pedigree lines of specific pathogen free (SPF) shrimp stocks.

Your Committee finds that diseases are devastating the shrimp industry throughout many parts of the world, especially in Taiwan, the Philippines, Indonesia, Thailand, and Ecuador. Hawaii can play a pivotal role by supplying disease-free broodstock to the shrimp industry. Our niche lies in having the technology to develop such a broodstock and also in taking advantage of Hawaii's geographic isolation from diseased shrimp.

Your Committee further finds that whoever controls the supply of disease-free broodstock holds the future of the shrimp industry in his hands.

The Department of Land and Natural Resources, the Oceanic Institute, and Amorient Aquafarm, Inc. testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$350,000 in Section 2 of this bill; and
- (2) Inserting language in page 2, line 9 of the bill that requires the development of policies to ensure the fair and equitable availability of disease-free shrimp and other animals produced from this center to all Hawaii research organizations and commercial growers.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 870, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 870, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1047 Ocean and Marine Resources on S.B. No. 1279

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;
- (3) Change the open season on Kona crabs to include half of May; and
- (4) Prohibit the taking of rocks to which marine life is attached or affixed except by permit.

This bill is similar to H.B. No. 974 that was previously heard by this Committee.

Your Committee concurs with DLNR's testimony and has amended this bill by:

- (1) Deleting the scientific names of the kala and opelu kala on page 1, lines 10 and 11;
- (2) Inserting the phrase "provided that this section shall not apply to the kala, *Naso lituratus*" at the end of item (3) on page 1;
- (3) Deleting references using May 15th for the start of the closed season for Kona crab in Section 3 of this bill;
- (4) Inserting the phrase "or by the department under rules adopted pursuant to chapter 91 necessary for collecting marine life visibly attached to rocks placed in the water for a commercial purpose" at the end of Section 188-68(a). This amendment is consistent with H.B. No. 974, HD 2; and
- (5) Establishing a new Section 5 that reads: "The fees required by sections 188-44 and 188-57, Hawaii Revised Statutes, shall remain in effect until the effective date of the rules required by this Act." This language is intended to keep the statutory fee structure in place until a replacement fee structure is adopted through administrative rules.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 1279, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1279, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1048 Ocean and Marine Resources on S.B. No. 1525 (Majority)

The purpose of this bill is to establish a marine and coastal affairs program within the Office of State Planning to facilitate the coordinated and cooperative planning among state, county, and federal governments.

This bill is similar to H.B. No. 1557 that was previously heard by your Committee.

The Office of State Planning; the Department of Business, Economic Development, and Tourism; the Ocean Recreation Council of Hawaii; and the Sierra Club testified in support of this bill.

Your Committee has amended this bill by replacing the text of this bill with H.B. No. 1557, HD 2.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 1525, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1525, SD 2, HD 1, and be referred to the Committee on Finance.

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

SCRep. 1049 Ocean and Marine Resources on S.B. No. 115

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.

The Hawaii Undersea Research Laboratory of the University of Hawaii, the Natural Energy Laboratory of Hawaii Authority, Makai Ocean Engineering, Inc., the Hawaiian Dredging and Construction Company, and Edward K. Noda and Associates, Inc. testified in support of this bill.

Your Committee has amended this bill by inserting the sum of \$500,000 to Section 2, of which \$350,000 is for the purchase of a cable and refurbished winch and \$150,000 is for the purchase of a long baseline navigation system. This amendment conforms the bill to its House companion, H.B. No. 1564, HD 2.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 115, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 115, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1050 Ocean and Marine Resources on S.B. No. 1278

The purpose of this bill is to amend Section 190-4.5, Hawaii Revised Statutes, by providing the Department of Land and Natural Resources (DLNR) with the authority to regulate boating and anchoring within Marine Life Conservation Districts (MLCDs). Section 190-4.5 currently authorizes DLNR to adopt rules to only regulate mooring in MLCDs.

This bill is similar to H.B. No. 973 which was heard earlier by your Committee.

DLNR and the Department of Transportation (DOT) testified on this bill. On the one hand, DLNR testified that in order to properly manage the MLCDs and protect the coral, it needs to be able to establish regulations as part of its own administrative rules. This bill would establish clear and direct authority, thereby facilitating public understanding of enforcement and management of MLCDs. On the other hand, DOT testified that its own administrative rules already restrict boat speed. Moreover, even if H.B. No. 917 (which transfers DOT's boating branch functions to DLNR) doesn't pass this Legislature, DLNR's administrative rules governing MLCDs could be amended to require compliance with DOT's rules.

Your Committee urges both DLNR and DOT to resolve this dilemma among themselves. However, for the purposes of continuing discussion on this matter, your Committee has amended this bill to conform to H.B. No. 973, HD 1. More specifically, the word "boating" has been deleted from lines 3 and 6 of the bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 1278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1278, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1051 Ocean and Marine Resources and Health on S.B. No. 113 (Majority)

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.

This bill is similar to H.B. No. 1448 that was previously heard by your Committee on Ocean and Marine Resources.

Although the nature of the toxin and source of contamination is yet unknown, its biochemical behavior as a sodium channel blocker causes a reaction similar to paralytic shellfish poisoning (PSP). Marine activity, such as dredging of coral reefs, has been speculated as the cause of increased levels of a dinoflagellate that is responsible for ciguatera.

Once the nature of the toxin is better understood, scientists will hopefully be able to identify its causes as well as its existence elsewhere in our coastal waters. To date, the toxin has only been found in the lagoon of the Hyatt Regency Waikoloa Hotel. In this regard, your Committees urge the Hyatt Regency Waikoloa Hotel to participate more fully in the study being considered.

Your Committees on Ocean and Marine Resources and Health are in accord with the intent and purpose of S.B. No. 113, SD 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige, Shon and Tatibouet.
(Representatives Alcon and Thielen did not concur.)

SCRep. 1052 Consumer Protection and Commerce on S.B. No. 8

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 (DCCA), Hawaii County Council, Hawaii County Civil Defense Agency, Hawaii Island Board of Realtors, Inc., Hawaii Independent Insurance Agents' Association, State Farm Insurance Companies, Hawaii Insurers Council, Island Insurance Companies, and one

citizen of the Big Island. All recognized the need to address the problem of the unavailability of homeowner's insurance 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 small commercial properties will have to meet specific criteria before they will be insured by the association. Concerns were raised by the insurance companies regarding major commercial developers seeking coverage under this bill. However, your Committee does not intend for this bill to cover large commercial developments.

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 amended the bill to limit the amount that any member insurer may be assessed in a year to no more than two per cent of that member insurer's net direct written premiums for the preceding calendar year. The amendment also allows the association to exempt or defer assessments of member insurers, to ensure their financial well-being. Technical, nonsubstantive amendments were also made by your Committee for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 8, SD 2, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 8, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1053 Consumer Protection and Commerce on S.B. No. 1812

The purposes of this bill are to repeal Section 244D-4.5, Hawaii Revised Statutes (HRS), known as the "escalator" clause, which provides for the automatic adjustment of the liquor tax rates, and amend Sections 244D-1, 244D-6, and 244D-9, HRS, to eliminate references to "unit price" and "dollar volume." The bill also sets new rates for all categories of liquor, and retains recordkeeping and reporting requirements.

Your Committee received testimony from the Department of Taxation, the Tax Foundation, the Wine Institute, Mauna Loa Grapes, Johnson Brothers of Hawaii, Tedeschi Vineyards, the Distilled Spirits Council of the United States, Anheuser Busch Companies, Coors Brewing Company, and the Wholesale Liquor Dealers Association of Hawaii. The private sector was strongly opposed to this bill.

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 sunseting the escalator provision.

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 has also amended the bill to eliminate the new rates as too high.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1812, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1812, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1054 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on S.B. No. 472

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 Kauai County Council Chair and Vice-Chair, GTE Hawaiian Telephone, Hawaiian Electric Industries, Kauai Electric Division of Citizens Utilities Company, the Gas Company, the Hawaii State Association of Counties, the Hawaii County Council, and the Council of Neighborhood Boards testified in favor of this

bill. The Department of Taxation testified against this measure, while the Tax Foundation noted other concerns. However, the Department of Taxation submitted proposed language to clarify the mechanics of the transfer should your Committees choose to act favorably on this bill.

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. Proponents of this bill noted 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.

Your Committees amended the bill to reflect the Department of Taxation's proposed language. The amendments set out the procedures under which the monies will be transferred to the appropriate counties, as well as clarify that any county levying real property taxes on any entity subject to taxation under Section 239-5 shall not receive any tax monies as specified in this bill.

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

Your Committees on Consumer Protection and Commerce and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 472, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 472, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1055 Consumer Protection and Commerce and Judiciary on S.B. No. 390

The purpose of this bill is to repeal the current travel agency law, except for the sections relating to the recovery fund, and provide greater protection for consumers by, among other provisions:

- (1) Requiring the immediate placement of all consumer funds in a client trust account with only limited rights to withdraw those funds, other than to pay for travel services;
- (2) Requiring consumers to receive certain information and disclosures at the time of purchase;
- (3) Providing a set of consumer rights, and giving consumers the right to recover damages and costs;
- (4) Providing criminal penalties for travel agents who violate these requirements;
- (5) Phasing out the travel agency recovery fund; and
- (6) Providing an education program to inform travel agencies and the public about the new law.

Your Committees received testimony supporting the bill but recommending specific changes from the Department of Commerce and Consumer Affairs (DCCA), the Activity Owners Association of Hawaii, HNL Travel Associates, the Mayor of the County of Maui, AMI Travel and Tours, Inc., American Society of Travel Agents, Casey and Lee Travel, Inc., and Travel Institute of the Pacific, Hawaii Business League. Opposing testimony was received from Air Fare Bargains and John Cater.

DCCA undertook extensive discussion with representatives of the travel agency industry regarding the provisions of this bill and proposed amendments which were in accord with these discussions. Accordingly, your Committees have amended this bill by:

- 1) Allowing alternatives to the special report required under the bill. For example, travel agents who are ARC certified are required to undergo vigorous financial qualification which are more strict than this proposed Legislature;
- 2) Requiring the travel agency to pay for the audit authorized under the bill only if a violation is found;
- 3) Allowing travel agencies three business days, rather than one, to deposit the funds to the trust accounts;
- 4) Increasing the commission which may be withdrawn from the trust account from ten per cent to fifteen per cent;
- 5) Recognizing other documentation besides "tickets"; and
- 6) Limiting consumer's refund rights in cases where the funds are already in the hands of the ultimate provider of the travel services (such as an airline).

In addition, the definition of "travel services" has been expanded so that those who sell visitors activities are included within the purview of this bill.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 390, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 390, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1056 Transportation on S.B. No. 1223

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, Department of Business and Economic Development, and the Tax Foundation of Hawaii.

Your Committee has made technical non-substantive amendments for the purposes of clarity and style.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1223, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tam.

SCRep. 1057 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on S.B. No. 1408

The purpose of this bill is to:

- (1) Mandate the Department of Health and each county to consider various solid waste management and processing methods, including source reduction, recycling and bioconversion, incineration with energy recovery, and landfilling and incineration without energy recovery, in the management of the State's solid waste; and
- (2) Appropriate funds for the 1991-1993 fiscal biennium to conduct an annual statewide household hazardous waste collection project, including the hiring of one full-time employee to oversee the project and to provide technical assistance and advice to the counties.

Your Committees have deleted the language of this bill and inserted the language contained in H.B. No. 954, HD 2.

Your Committees received testimony from the Recycling Association of Hawaii which proposed various amendments to the bill for the purpose of making this bill more effective. After consideration of these suggested changes, and with the approval of the Department of Health, your Committees have made the following amendments to this amended bill:

- (1) Amend the definition of "Incineration" to have similar language as used in chapter 340A, Hawaii Revised Statutes;
- (2) Amend the definition of "Integrated solid waste" by removing the word "complementary";
- (3) Amend the definition of "Solid waste or municipal solid waste" by specifying that other discarded material may be residential or commercial discarded materials;
- (4) Require the Department to establish and administer rules and guidelines;
- (5) Require the Office of Solid Waste to comply with the federal Resource Conservation and Recovery Act and other federal laws;
- (6) Require public notification of all plan components of a county integrated solid waste management plan that are determined to be infeasible;
- (7) Establish when the Department must notify the public and provide for a public hearing at the director's discretion;
- (8) Include in the public awareness and education component, public notice of options for alternate source reduction, recycling, and bioconversion;
- (9) Require the marketing and procurement of materials component to describe existing county, state, or other markets for materials diverted from the solid waste stream;
- (10) Require the Department to notify the public if a facility is granted an exemption from record keeping;
- (11) Delete language from § __-41 since no quantitative goals were established;

- (12) Require the Department of Land and Natural Resources to consider using locally produced compost on State lands;
- (13) Require databases on solid waste management alternatives be offered to the public; and
- (14) Include in the database that identifies businesses involved in recycling and bioconversion, businesses that reuse goods.

Your Committees have also made other amendments for purposes of style and clarification.

Your Committees would like to emphasize that the goals for reducing solid waste are minimum levels and urge the counties to establish higher goals than those set out in this bill.

Your Committees feel that the capacity of landfills is filling at alarming rates and its contents may pose threats to the environment, especially our fresh water resource, and find that future plans for solving Hawaii's waste problem should move towards waste minimization and resource recovery.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 1408, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1408, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Stegmaier, Tam and Ward.

SCRep. 1058 Human Services; Housing; and Judiciary on S.B. No. 1383

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, to establish a homeless shelter stipend program that provides a flexible funding mechanism to emergency and transitional shelters to assist in covering shelter operating costs.

Your Committees received testimony in support of the intent of this measure from the Department of Human Services, the Homeless Concerns Committee, the Founders' Group of the Kokua Council for Senior Citizens, the Office of Children and Youth, and others.

The Homeless Concerns Committee expressed the need for capital improvement monies for the development of specific shelter projects on the neighbor islands and the strengthening of shelters projects on Oahu. Additionally, the Homeless Concerns Committee emphasized that the Hawaii Foodbank needs a new warehouse and Weinberg trust grant monies will not be forthcoming if matching funds are not received from other sources.

Upon further consideration, your Committees have amended the bill by:

- (1) 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;
- (2) 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;
- (3) 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;
- (4) 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;
- (5) Direction that the foregoing capital improvement project monies be expended by the Hawaii Housing Authority;
- (6) Further directing that any structure built with the foregoing capital improvement monies shall include bathroom facilities within the structure;
- (7) Appropriating \$600,000 for fiscal year 1991-1992 and \$600,000 for fiscal year 1992-1993 to contract with provider agencies for primary health care for the homeless and directing that these monies be expended by the Department of Human Services;

- (8) Authorizing the Director of Finance to issue general obligation bonds in the sum of \$1,000,000 to be appropriated for fiscal years 1991-1992, 1992-1993, and 1993-1994 for expansion of the Hawaii Foodbank, and directing that these monies be expended by the Department of Human Services; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Human Services and Housing and Judiciary are in accord with the intent and purpose of S.B. No. 1383, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1383, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell and Peters.

SCRep. 1059 Human Services; Housing; and Judiciary on S.B. No. 1382

The purpose of this administration bill is to develop a comprehensive response to the problem of homelessness in Hawaii under the jurisdiction of the Department of Human Services. This bill provides for a timely and appropriate response to homeless families unable to locate affordable housing to rent and contains provisions relating to the establishment and administration of services and benefits that the Director of Human Services may provide to the homeless through homeless facilities.

Testimony in support of the intent of this bill was received from the Department of Human Services, the State Attorney General, the Office of Children and Youth, and several community organizations and individuals. Testimony indicated that this bill is part of the administration's "homeless package" resulting from discussions involving the Governor, the Sub-Cabinet Task Force on Human Resources/Services on Homeless Concerns, and private provider agencies through the Governor's Homeless Concerns Committee.

Your Committees have amended this bill by:

- (1) Restoring the original definition of homeless family as a household containing at least one child under age eighteen; and
- (2) Amending Section -6 under Section 1 and deleting Section 11 of the bill to strengthen the liability of the State for the negligent actions and conduct of donors.

Your Committees on Human Services and Housing and Judiciary are in accord with the intent and purpose of S.B. No. 1382, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1382, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell, Cachola, Hirono, M. Ige, Oshiro, Peters, Shon and Thielen.

SCRep. 1060 Human Services and Judiciary on S.B. No. 648

The purpose of this bill is to create a demonstration project in the Waianae Coast area to test the effectiveness of decentralizing child welfare services by establishing a special child welfare services unit in Waianae. The demonstration project emphasizes family support and will include an emergency response team and case management team to respond quickly to all request for child welfare services. The Department of Human Services shall staff the special unit by transferring now from the child protective services program to the demonstration project.

The Department is also required to submit a report on the progress of the demonstration project to the Legislature before 1992 session and a final evaluation report prior to the convening of the 1993 session.

Your Committees have amended the bill to appropriate \$150,000 for fiscal year 1991-1992 and \$150,000 for fiscal year 1992-1993, and also by adding updated statistics with regards to the amount of child abuse and neglect cases.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of S.B. No. 648, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 648, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1061 Human Services on S.B. No. 767

The purpose of this bill is to amend Section 350-2, Hawaii Revised Statutes, to require the Department of Human Services (DHS) to expunge from its central registry all reports relating to child abuse or neglect cases which have been dismissed by the family court pursuant to Section 587-63(b), Hawaii Revised Statutes. The bill requires such expungement to occur no later than four years after the dismissal.

This bill also amends Section 350-2 to require the DHS to adopt rules to carry out the purposes of the section.

Testimony was submitted by the DHS and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee has amended this bill as follows:

- (1) Provided that the DHS is to promptly expunge reports only in cases where:
 - (A) The DHS has found the allegations contained in the report 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, Hawaii Revised Statutes;
- (2) Allowed a person accused of child abuse or neglect under a report on file at the DHS to petition the DHS to have the report expunged in cases where the DHS has made a determination, after full investigation of the case, that further action is not warranted; and
- (3) 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 S.B. No. 767, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 767, SD 1, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 1062 Human Services on S.B. No. 1340

The purpose of this bill is to establish a long-term care financing board charged with the responsibility of making recommendations for a comprehensive long-term care financing program for Hawaii.

Your Committee has amended the bill to appropriate \$500,000 for FY1991-1992, to require a report be sent to the House Committee on Human Services, and to incorporate a detailed itemization as to how the money will be spent.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1340, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1340, SD 2, HD 1, and be referred to the Committee on Finance.

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

SCRep. 1063 Human Services on S.B. No. 1346

The purpose of this bill is to provide for the statutory transfer of the Hawaii Youth Correctional Facilities to the Office of Youth Services.

Act 375, Session Laws of Hawaii 1989, created the Office of Youth Services and required that the office assume, on July 1, 1991, the responsibilities for juvenile corrections functions, including the Hawaii Youth Correctional Facilities. This bill effectuates that transfer.

The Office of Youth Services testified in support of this measure.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1346, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1064 Human Services on S.B. No. 1349

The purposes of this bill are to extend the nonmedicaid personal care services program for another four years and to change the expenditure ceiling for the personal care services program to the amount authorized by the federal Health Care Financing Administration.

Your Committee finds that an extension of the nonmedicaid personal services program is necessary because the program only began providing services this year and additional time is required to demonstrate its effectiveness. The change to the expenditure ceiling is necessary since the personal care services program must be in compliance with the federally approved cost ceiling in order to continue operations.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1349 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1065 Human Services on S.B. No. 1354

The purpose of this bill is to repeal the workfare program because the JOBS program serves the same primary target group and allows for a federal match for many of the expenses that will be incurred in the delivery of these services.

Repealing the workfare program will also provide a more efficient and effective program to meet the needs of AFDC recipients who are striving to become financially self-sufficient.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1354 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1066 Human Services on S.B. No. 401

The purpose of this bill is to appropriate monies 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 Office of Hawaiian Affairs, the Hawaii Business Roundtable, the Hawaii Medical Association, the Hawaii Association for the Education of Young Children, and the Hawaii Early Intervention Coordinating Council.

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; and
- (3) 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 S.B. No. 401, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 401, SD 2, HD 1, and be referred to the Committee on Finance.

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

SCRep. 1067 Human Services on S.B. No. 402

The purpose of this bill is to appropriate funds to continue the Healthy Start and Families for R.E.A.L. (resources and early access to learning) programs.

These programs enable parents of high risk families with young children to cope with their responsibilities in nurturing their children by providing supportive interventions for the family. The demonstration program in the Healthy Start Program to be funded by this bill will train high risk mothers of infants and toddlers to be more attentive to their children, meet emotional needs, interact with their children to foster language development, and engage in specific activities aimed at promoting positive gains in all areas of child development.

Your Committee has amended the bill to provide appropriations in the amount of \$500,000 for FY 1991-1992 and \$525,000 for FY 1992-1993 for the Healthy Start Program and \$650,000 for FY 1991-1992 and \$682,500 for FY 1992-1993 for Families for R.E.A.L.

Your Committee has also made technical, nonsubstantive changes for the purpose of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 402, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 402, SD 2, HD 1, and be referred to the Committee on Finance.

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

SCRep. 1068 Human Services on S.B. No. 1498

The purpose of this bill is to implement the concept of gap budgeting to provide financial incentives for recipients in the Aid to Families with Dependent Children program to participate in and remain in the JOBS program. "GAP" budgeting allows families to receive a greater amount of income without losing their eligibility for family assistance.

Your Committee has amended the bill to appropriate \$2,000,000 for FY1991-1992 and \$2,000,000 for FY1992-1993 for the implementation of this program.

In providing funds to families in need of assistance, all good faith efforts should be made by the Department of Human Services to provide budgeting education to the recipients to enable better use of said funds.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1498, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1498, SD 2, HD 1, and be referred to the Committee on Finance.

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

SCRep. 1069 Water, Land Use and Hawaiian Affairs on S.B. No. 1280

The purpose of this bill is to enable enforcement of rules relating to unauthorized use of unencumbered public lands. This bill would allow the Department of Land and Natural Resources to issue citations on the spot and authorize the courts to prosecute violations as misdemeanors under the Penal Code.

Your Committee has amended this bill by deleting the substance and inserting therefor new material the purpose of which is to acquire a 269.454 acre parcel designated as tax map key no. 1-9-4-07:1 in Central Oahu for the development of an agricultural park. As amended, this bill:

- (1) Appropriates an unspecified sum for the Department of Land and Natural Resources to acquire the parcel;
- (2) Directs the Department of Agriculture to: lease the parcel back to the current users, provided that the parcel be used for pineapple production only; and cancel the lease if it finds that the lessee has ceased pineapple production on the parcel; and
- (3) States that in any future consideration of this parcel, preference shall be given to the development of a recreational park.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1280, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1070 Water, Land Use and Hawaiian Affairs on S.B. No. 1158

The purpose of this bill is to establish the State history center or museum and to appropriate funds to continue its planning and design work. This educational, research, and public institution would have statewide responsibility to share the lessons learned from the State's diverse cultures and traditions.

Your Committee received supporting testimony from the Department of Accounting and General Services, the Hawaii Museums Association, the Hawaii State AFL-CIO, and the Hawaiian Historical Society.

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

- (1) Deleting the provisions of Section 2 that provided statutory authority for the State history center or museum. Additional work is needed to further develop the concept;
- (2) Requiring that part of the \$200,000 appropriation earmarked for continuing planning and design be used for a site selection study (page 1, lines 12-13); and
- (3) Making technical amendments.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1158, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1158, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1071 Water, Land Use and Hawaiian Affairs on S.B. No. 1131

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.

The Department of Land and Natural Resources, the Save Kailua coalition, the Hawai'i Rainbow Coalition, the Pohakupu-Kukanono Community Association, the Save Mt. Olomana Association, and several individual Kailua residents submitted supporting testimony.

Owing to dubious practices regarding Conservation District Use Applications (CDUAs) within the DLNR, numerous private developments have been permitted on and around the mountain. These developments mar the spectacular natural beauty of Mt. Olomana and are selfish exploitations by outsiders of a landmark which rightfully should belong to the people of Hawai'i. The communities of Windward Oahu strongly resent these developments and have expressed overwhelming support for both preserving Mount Olomana and restoring it to its pristine state. Eventually, the whole area should be saved from further destruction. An important step towards this end is the creation of the Mount Olomana State Park.

The language of this bill, as received, has been watered down from the original. Therefore, your Committee has restored it to the form of H.B. No. 106, as it was passed out of this Committee.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1131, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1131, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1072 Water, Land Use and Hawaiian Affairs and Judiciary on S.B. No. 1434

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 Office of Hawaiian Affairs (OHA), the Mayor of Hawaii County, the Mayor of Kalapana, and the Gibson Foundation.

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 S.B. No. 1434, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1434, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1073 Water, Land Use and Hawaiian Affairs and Intergovernmental Relations and International Affairs on S.B. No. 1311

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. This bill would eliminate the overlap in park operations that currently exists between the State and the counties.

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.

The Department of Land and Natural Resources (DLNR), the Department of Transportation, and the City and County of Honolulu's Department of Parks and Recreation testified on this bill.

Your Committees have amended this bill by:

- (1) Authorizing the inclusion of Kalihi Valley Park as part of the transfer from the City and County of Honolulu to the State; provided that this transfer is contingent on the park being maintained for passive and meditative uses only (page 3, lines 5-11);
- (2) Appropriating \$200,000 for DLNR to develop a master plan for the Old Kona Airport State Recreation Area on the Big Island (page 6, line 20 to page 7, line 2);
- (3) Broadening the purpose section to reflect the above amendment (page 1, lines 8-10); and
- (4) Making technical, nonsubstantive amendments to the 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 S.B. No. 1311, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1311, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1074 Higher Education and the Arts on S.B. No. 1330

The purpose of this bill is establish a statutory commission for the planning of observances for Martin Luther King, Jr.'s birthday, which is a State holiday.

The Governor appointed an interim commission in the fall of 1988 to plan observances of Martin Luther King, Jr.'s birthday. This commission has helped plan activities since that time.

Testimony in support of this bill was received from many organizations and individuals.

Your Committee has amended this bill to establish a commission for a period of four years. The statutory provisions proposed would be repealed on June 30, 1995. In addition, an annual reporting requirement has been inserted, as well as a requirement for a final report evaluating the need for a permanent commission. Technical, nonsubstantive changes have been made for purposes of style and clarity.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 1330, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1330, SD 1, HD 1, and be referred to the Committee on Finance.

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

SCRep. 1075 Higher Education and the Arts on S.B. No. 631

The purpose of this bill, as received by your Committee, is to amend current statutes relating to the Research and Training Revolving Fund by increasing the percentage of indirect overhead funds to be deposited into the fund, and authorizing the Board of Regents to expend such funds.

Your Committee has amended this bill by:

- (1) Changing the amount of indirect overhead funds to be deposited into the University's Research and Training Revolving Fund from sixty-six to fifty percent;
- (2) Amending Section 304-8.92, relating to the Discoveries and Intentions Revolving Fund, by requiring that four percent of the total indirect overhead funds generated be deposited into the fund; and
- (3) Adding a new Section 304-8.96 which establishes the University of Hawaii Housing Assistance Revolving Fund. Twelve percent of the total indirect overhead funds generated will be deposited into the fund. The fund will be used to implement the University's Housing Assistance Master Plan and will also account for all transactions of the Housing Assistance program. The section also requires the University of Hawaii to provide an annual report to the Governor and Legislature describing all activities of the fund.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 631, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1076 Higher Education and the Arts and Education on S.B. No. 1460

The purpose of this bill is to appropriate funds for each year of the 1991-1993 fiscal biennium for the University of Hawaii and the Department of Education to implement the Hawaii Opportunity Program in Education (Project HOPE).

The HOPE Special Fund was established by the 1990 State Legislature to provide partial scholarships to financially needy students giving priority to ethnic groups which are underrepresented at the University of Hawai'i at Manoa. Your Committees find that a pre-college support program in addition to an endowment for UH scholarships is necessary to prepare and motivate public school students in the lower grades to remain and excel in school and eventually pursue a college education.

Based on the testimony received, your Committees have amended this bill by replacing the substance of S.B. 1460, SD 1, with the substance of H.B. 1444, HD1, the House companion bill. A new section was added to clarify that \$1,000,000 shall be deposited into the HOPE Special Fund for each fiscal year from 1990-1991 through 1999-2000.

Your Committees on Higher Education and the Arts and Education are in accord with the intent and purpose of S.B. No. 1460, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1460, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Shon.

SCRep. 1077 Higher Education and the Arts and Intergovernmental Relations and International Affairs on S.B. No. 1801

The purpose of this bill is to appropriate \$100,000 for fiscal year 1991-1992 and \$100,000 for fiscal year 1992-1993 to continue the Hawaii International Film Festival's outreach program.

The Hawaii International Film Festival encourages cultural tourism, provides a basis to promote friendship and understanding of people from diverse cultures, and contributes to a favorable image of Hawaii as an international cultural meeting ground.

Your Committees on Higher Education and the Arts and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 1801 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tam.

SCRep. 1078 Higher Education and the Arts and Planning and Economic Development on S.B. No. 431

The purpose of this bill is to provide \$6,000,000 through the issuance of special purpose revenue bonds to assist ETV Hawaii/Elephant Television, Inc., to construct and operate a television, film production, and training facility on Maui.

Your Committees received numerous testimony in support of this bill stating that ETV Hawaii/Elephant Television, Inc. will provide the following benefits:

1. National quality motion picture and television production training for students living on Maui and within the State of Hawaii;
2. Enhance Maui's economy by creating a new industry to provide skilled employment to Maui residents;
3. Help the State by creating a better foundation for the film and TV industry in Hawaii.

While the necessity of this bill has been found to be legitimate, your Committees stress the requirement in the bill calling for a technical and economic analysis of ETV Hawaii/Elephant Television, Inc. to be performed by the Department of Business, Economic Development, and Tourism, with assistance from Hawaii Economic Development Corporation.

Your Committees on Higher Education and the Arts and Planning and Economic Development are in accord with the intent and purpose of S.B. No. 431, SD 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kanohe, Say, Tajiri and Marumoto.

SCRep. 1079 Higher Education and the Arts and Judiciary on S.B. No. 1045

The purpose of this bill is to allow the University's Board of Regents set the salary of the University of Hawaii's President.

Your Committees received testimony in support of this measure from the Board of Regents. There are certain inequities surrounding the setting of the President's salary. Current statutes allow the Board of Regents flexibility regarding the upper limits of professorial and administrative positions at the University. The salary of the President, however, is the only position for which the regents are constrained by a statutory ceiling. As a result, approximately 19 professors and 16 administrators at the University receive substantially higher salaries than the President. In addition, according to testimony given, the UH President is currently one of the lowest paid among comparable universities in the nation, and has not received a salary increase for five years.

The Board of Regents is charged with managing and directing the University to achieve world class excellence for the people of Hawaii. It is clear that the authority to determine the maximum salary of the President is consistent with this responsibility. However, in order to fulfill its' commitment to the community, the Board is urged to seek public comment on the salary ranges it will establish for the President's salary.

Your Committees on Higher Education and the Arts and Judiciary are in accord with the intent and purpose of S.B. No. 1045, SD 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1080 Higher Education and the Arts and Transportation on S.B. No. 1901 (Majority)

The purpose of this bill is to establish a flight training program at the University of Hawaii to provide students from the Pacific Basin with professional pilot education and training.

Your Committees received numerous testimony from the University of Hawaii, Community Colleges as well as the airline industry supporting this bill and expressing a need for well educated and trained people to operate and maintain the planes, and serve its passengers.

Your Committees amended this bill by:

1. Appropriating \$10,750 for fiscal years 1991-1992 and \$695,000 for fiscal years 1992-1993; and
2. Making changes to page 2, line 3 of the bill for purposes of style and clarity.

Your Committees on Higher Education and the Arts and Transportation are in accord with the intent and purpose of S.B. No. 1901, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1901, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tam.
(Representatives Lee and Tatibouet did not concur.)

SCRep. 1081 Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Labor and Public Employment on S.B. No. 9

The purpose of this bill is to establish a Department of Environmental Protection by transferring the environmental protection functions currently administered by the Department of Health to the new department.

Your Committees have substantially amended this bill by deleting all the sections after section 1, and inserting new language.

Your Committees concur that the integrity of the environment is of paramount concern to the State, and that definitive steps should be taken to enact a policy of rigorous environmental protection. The quality of life and the health of Hawaii's residents are dependent on the preservation and protection of the environment. In addition, the status of the environment is an important factor in Hawaii's economy, since tourism is positively affected by an appealing environment. Your Committees have determined that for these reasons establishing a cabinet level department to administer environmental protection is essential.

Your Committees realize that the complexity of establishing a new department merits further consensus. Therefore, the effective date for establishing the department is 1992, pending the enactment of certain provisions prior to 1992. In the event that these provisions are not enacted, the new chapter establishing the new department shall be repealed.

Your Committees feel that all state, county, and federal departments and agencies and any private organization or entity which may assist in the organization of the department should be allowed to assist the State when the department is being organized.

Your Committees on Energy and Environmental Protection, Health, Intergovernmental Relations and International Affairs, and Labor and Public Employment are in accord with the intent and purpose of S.B. No. 9, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 9, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1082 Housing on S.B. No. 1251

The purpose of this bill is to clarify that the Housing Finance and Development Corporation (HFDC) does not have the burden of proof in establishing the fair market value of any leased fee interest being acquired in eminent domain actions under Chapter 516, Hawaii Revised Statutes.

In Chapter 516 eminent domain proceedings, the HFDC does not have a direct interest in the amount of compensation and damages that the court may award. In leaving the burden of proof with the parties who have a direct interest, the costs to the defendant lessees, who ultimately bear all costs incurred by the HFDC in these actions, will be significantly reduced.

Testimony in support of this measure was submitted by the HFDC.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1251 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1083 Housing on S.B. No. 1250

The purpose of this bill is to exempt the Housing Finance and Development Corporation (HFDC) from liability for pre-existing and future conditions of land condemned for the purpose of residential lease to fee simple conversion.

The HFDC's role, essentially, is to facilitate the conversion of leased land to fee simple. Pre-existing or future conditions such as soil erosion or flooding may be factors in the determination of just compensation; however, these factors do not fall within the jurisdiction of the HFDC.

Testimony in support of this measure was submitted by the HFDC and a private citizen.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1250 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1084 Housing on S.B. No. 180

The purpose of this bill is to amend Section 201E-2, Hawaii Revised Statutes, to require that purchasers of market-priced units in an economically integrated Housing Finance and Development Corporation (HFDC) housing project have a bona fide intent to reside in the dwelling unit purchased.

Your Committee received testimony on this measure from the HFDC and the Department of Housing and Community Development of the City and County of Honolulu.

Upon further consideration, your Committee has amended the bill by:

- (1) Amending Section 201E-2, Hawaii Revised Statutes, to:
 - (A) Require that a "qualified resident" physically reside in the dwelling unit purchased or rented under Chapter 201E;
 - (B) Exclude from "qualified resident" status, a person who oneself or whose husband or wife has a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such land;
- (2) Clarifying that the provisions of the Act shall not apply to any contracts which have been executed by the HFDC for the development of a housing project as of the effective date of the Act; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 180, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 180, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1085 Housing on S.B. No. 976

The purpose of this bill is to appropriate funds to conduct a study to:

- (1) Assess the feasibility of establishing an urban rental housing development program (program); and
- (2) Develop a set of plans and specifications for a prototypical project for the program.

Your Committee received testimony in support of this bill from the Housing Finance and Development Corporation (HFDC) and the Hawaii Developers' Council. The HFDC indicated that generic plans and specifications, as well as standard forms, could be developed for use in the construction of multi-unit rental housing for small households in the primary urban areas. Because these plans, specifications, and forms could be used over and over at nominal cost to eligible developers who have available, developable lands in the urban center, economies of scale and purchasing efficiencies would be realized.

Upon further consideration, your Committee has amended the bill by:

- (1) Appropriating \$500,000 for fiscal year 1991-1992 to conduct a study of urban rental housing development and clarifying that the appropriated funds shall be used as follows:
 - (A) To evaluate methods of high-rise construction to select and develop a prototypical high-rise residential model suitable for Hawaii. \$50,000
 - (B) To develop guidelines for a proto-typical high-rise residential model, including preliminary prototypical plans and layouts. 75,000
 - (C) To analyze the socio-economic impacts of the prototypical model. 125,000
 - (D) To evaluate the feasibility of establishing an urban rental housing development program.

250,000

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

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 976, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 976, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1086 Housing on S.B. No. 1352 (Majority)

The purpose of this bill is to place a four-year moratorium on the conversion of existing residential rental housing structures to condominiums to prevent displacements caused by the conversion.

Your Committee received testimony from the Housing Finance and Development Corporation strongly in support of this measure. The Hawaii Association of Realtors and the Hawaii Developer's Council support the purpose of the bill but stated their belief that the moratorium proposed would be counter-productive to the intent.

The Hawaii Real Estate Commission expressed their concerns that "ohana" conversions would be prevented, that rental units now serving as transient vacation rentals could not be converted to permanent home ownership opportunities, and that opportunities to convert structurally sound buildings in a state of disrepair would be lost.

Your Committee is committed to maintain and increase when possible the supply of residential rental units. We have addressed the issues raised in the testimony by amending the bill as follows:

- (1) Clarifying that the moratorium shall be placed on existing structures and units used for residential rental purposes;
- (2) Clarifying that it does not apply to conversions of structures with one or two units nor to any structures failing to meet Department of Health health and safety standards;
- (3) Providing that the Housing Finance and Development Corporation may waive the restrictions against conversion or demolition which is accomplished in conformance with the purposes of the Act; and
- (4) 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
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1352, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 1087 Housing on S.B. No. 1093

The purpose of this bill is to raise the adjusted gross income eligibility limit for the renter's income tax credit from \$30,000 to \$35,000.

Your Committee received testimony on this bill from the Department of Taxation, the Tax Foundation of Hawaii, and the Hawaii State Legislative Committee of the American Association of Retired Persons.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1093, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1088 Human Services on S.B. No. 733

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.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 733, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 733, SD 2, HD 1, and be referred to the Committee on Finance.

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

SCRep. 1089 Water, Land Use and Hawaiian Affairs on S.B. No. 1393

The purpose of this bill, as received by your Committee, is to amend Section 206E-10.5, Hawaii Revised Statutes, to provide that payments made by the Hawaii Community Development Authority for relocation of persons displaced by the creation or development of a community development district, shall not be considered income for State income tax or public assistance purposes.

Your Committee received testimony in support of this bill from the Hawaii Community Development Authority and the Kakaako Improvement Association, Inc.

Your Committee has amended this bill by adding the following provisions making further amendments to Chapter 206E, 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 an increased supply of low- or moderate-income housing be a condition of redevelopment.

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

Signed by all members of the Committee except Representatives Alcon, Bunda, Yoshimura and O'Kieffe.

SCRep. 1090 Water, Land Use and Hawaiian Affairs on S.B. No. 999

The purpose of this bill is to amend the laws of the State relating to public lands to require an appraisal of the land value whenever the Department of Land and Natural Resources disposes of public lands that would result in entitlements to the Office of Hawaiian Affairs or the Department of Hawaiian Home Lands.

Your Committee received testimony from the Department of Natural Resources (DLNR), Na Koa Ikaika, the Department of Hawaiian Homes (DHHL), and the Housing Finance and Development Corporation (HFDC).

As recommended in the Legislative Auditor's Report 91-9, "Revenue Entitlements to the Department of Hawaiian Home Lands," entitlements from the sugarcane lands at Hanapepe, Honokowai, and Lahaina have not been met and are due. HFDC has acknowledged responsibility for meeting DHHL's entitlements for these projects.

Your Committee has amended the bill by:

- (1) Requiring that the appraiser, instructions to the appraiser and the review of the appraisal report be subject to the approval of DHHL and OHA; and
- (2) Changing the time of valuation to be subsequent, rather than immediately prior, to the project's initiation; and
- (3) Reinserting the proviso language at the end of Section 1, line 22, page 2, of SD 1; and
- (4) Changing the act's effective date to upon approval.

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 999, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 999, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Bunda, Yoshimura and O'Kieffe.

SCRep. 1091 Water, Land Use and Hawaiian Affairs on S.B. No. 1282

The purpose of this bill is to amend Section 171-20, Hawaii Revised Statutes, by limiting its application. The law now requires a written sixty-day notice of default whenever there is a default under a "lease, patent, license, agreement, or other instrument" issued under Chapter 171, relating to the management and disposition of public lands. This bill would change the law by removing the requirement of a notice of default under Section 171-20, Hawaii Revised Statutes, when there is a default under a "license, agreement, or other instrument". The rest of the law would remain the same as it relates to leases and patents.

The Department of Land and Natural Resources (Department) submitted testimony in support of the bill. The testimony stated that there is a possible conflict over whether the sixty-day notice requirement in the statute applies to revocable permits issued by the Department which have a thirty-day notice requirement. The Department believes that the sixty-day notice requirement was intended to apply to long term leases and not to temporary short term tenancies under revocable permits. The Department stated that "the proposed amendment will clarify this by specifically exempting revocable permits issued by this department from the provisions of Hawai'i Revised Statutes, Section 171-20."

Your Committee on Water, Land Use and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 1282 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon, Bunda, Yoshimura and O'Kieffe.

SCRep. 1092 Judiciary on S.B. No. 2055

The purpose of this bill is to appropriate funds for the training of mediators and arbitrators in international dispute resolutions.

Hawaii is strongly emerging as a potential forum in which international problems and conflicts may be solved through the use of alternative dispute resolution techniques. In addition to providing the forum, it is also critically important to have trained personnel to handle these responsibilities.

Testimony in support of this measure was submitted by the Judiciary, the Japan-America Institute of Management Science, the University of Hawaii Program on Conflict Resolution, and a private citizen.

Your Committee has amended this bill by (1) reducing the sum appropriated to \$1 for the purpose of continued discussion and (2) changing the expending agency to the Office of International Relations.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2055, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2055, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1093 Judiciary on S.B. No. 2013 (Majority)

The purpose of this bill is to permit bona fide religious, charitable, service, fraternal, veteran, and nonprofit organizations to conduct bingo games and raffles under limited circumstances, which are to be regulated by a bingo control board. The bill also provides for (1) the establishment of a lottery commission to implement and administrate a statewide lottery and to do a study of the economic and social impact to the State, and for (2) the establishment of a State Lottery Fund to finance the operating expenses of the commission and the State lottery.

Your Committee finds that gambling activities in general conflicts with society morals and discourage pursuit of marketable skills. However, there are social gambling activities which can be considered more as entertainment and recreation. Your Committee finds that individuals participate in bingo and raffles mainly for entertainment and recreation and not as an alternative to seeking employment.

Your Committee further finds that the statewide lottery system's advantage of revenue generating is outweighed by the problems the system creates. Although initial interest and participation in the lottery may be high, the State's lack of population will not be able to accommodate the eminently high administrative overhead costs required to operate an efficient lottery and to protect it from corruption with sufficient security. Your Committee believes that to sustain the lottery and provide sufficient protection to prevent corruption, the State may be required to promote and encourage gambling which is against public policy principles. Your Committee further finds that the large payouts of a lottery misleads individuals into waiting for windfalls and distracts them from patiently acquiring marketable skills to better themselves and to contribute to the State's economy.

Furthermore, your Committee finds that the bill's proposed study on economic and social impact by the lottery on the State is disingenuous and nonsensical. Because the lottery is in operation while the study is being conducted the study may produce bias results to justify the lottery and to maintain the commission.

Your Committee has made the following amendments to the bill:

1. Deleted language referencing and pertaining to State lottery.
2. Deleted part VIII pertaining to raffles and added a new chapter pertaining to raffles but which conforms to the chapter on bingo in the bill, particularly parts pertaining to the bingo board, licensing, operations, and penalties.

3. Deleted terms for imprisonment under the penalties section for bingo and raffles so as not to conflict with the Penal Code imprisonment terms for misdemeanors and petty misdemeanors.
4. Added a provision to allow the Attorney General or Prosecuting Attorney to pursue a civil forfeiture of not more than \$50,000 for a misdemeanor violation.
5. Amended section 712-1220, Hawaii Revised Statutes, which pertains to gambling to conform language to gender neutral principles.
6. Amended section 712-1231, Hawaii Revised Statutes, which pertains to social gambling to include bingo and raffles into the definition of social gambling.
7. Changed the sunset provision from six years to five years.
8. Made technical, nonsubstantive amendments for the purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2013, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2013, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Ward.
(Representatives Hagino, Morihara and Thielen did not concur.)

SCRep. 1094 Judiciary on S.B. No. 1858

The purpose of this bill is to:

- (1) Transfer the functions and duties of the Juvenile Justice Interagency Board (JJIB) 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 Department of Education, the JJIB and the University of Hawaii Center for Youth Research.

Your Committee finds that the OYS was created in 1989 and the statute as drafted, needs to be given a chance to work. Instead of making major changes, the emphasis should be on implementation of the statute. Therefore, your Committee finds that it is not necessary to move the JJIB at this time.

Your Committee has amended this bill by:

- (1) Directing that each regional advisory board shall include three rather than four lay persons;
- (2) Allowing designees of members of the advisory boards to participate on the board in place of the member;
- (3) Changing the regional director's status to exempt instead of civil service;
- (4) Eliminating the coordinating, monitoring and evaluative duties of the regional directors because the executive director should be responsible for such duties;
- (5) Section 352D-8 was amended rather than repealed. Also, the termination date of the oversight committee was extended from 1992 to 1995;
- (6) Section 4 was deleted to allow the JJIB to remain as a separate entity. Accordingly, section 5 which transfers the JJIB was not necessary;
- (7) Section 8 was deleted since it was unnecessary; and
- (8) Technical, nonsubstantive amendments were made for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1858, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1858, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1095 Judiciary and Health on S.B. No. 1120

The purpose of this bill is to appropriate funds for the provision of outreach services to injection drug users and their sexual partners to prevent the transmission of the human immunodeficiency virus.

This measure will allow the Department of Health to continue providing outreach services to injection drug users and their sexual partners through the Community Health Outreach Worker Project (CHOW), which has been funded by a grant from the National Institute on Drug Abuse since 1989. Federal support for the CHOW project will end in August of 1991 and the project will be terminated if other sources of funding are not secured by that date.

Testimony in support of this measure was submitted by the Governor's Committee on AIDS, the Hawaii State Commission on the Status of Women, and the Hawaii Healthy Mothers, Healthy Babies Coalition.

Your Committees have amended this bill by:

- (1) Reducing the amounts appropriated to \$1 each for fiscal years 1991-1992 and 1992-1993; and
- (2) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committees on Judiciary and Health is in accord with the intent and purpose of S.B. No. 1120, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1120, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ward.

SCRep. 1096 Judiciary on S.B. No. 1221

The purpose of this bill is to allow taxpayers who did not designate \$2 to the Hawaii Election Campaign Fund, to make a designation by filing an amended return within twenty months and ten days after the due date for filing the original return. A designation once made whether by original or amended return may not be revoked.

This amendment would bring Hawaii's income tax law in closer conformity with the federal law.

Testimony in support of this measure was submitted by the Department of Taxation.

Your Committee on Judiciary is in accord with the intent and purpose of S.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. 1097 Judiciary on S.B. No. 1130

The purpose of this bill is to grant State tax relief, retroactive to August 2, 1990, to Hawaii's military personnel deployed to the Persian Gulf. This bill would conform to federal law which grants a deferral of filing tax returns.

Your Committee received supporting testimony on behalf of the Department of Taxation and the State of Hawaii Department of Defense. Your Committee finds that this measure will be of great emotional and psychological value to those who served on the frontline and their families who remained on the homefront. It would spare affected individuals and the families of those who are still serving on the frontline, the burden of meeting their State tax obligations at a very difficult time in their lives. This measure would also be a positive statement of support for our military forces which served in the Gulf War.

Your Committee has amended this measure by:

- (1) Deleting lines 2 through 5 of page 2 since this is not an accurate statement of what Public Law 102-2 does.
- (2) The word "income" was deleted from line 6 on page 2 because this bill applies to all taxes collected and not only income taxes.
- (3) Additional language was added to the purpose paragraph of section 1 in order to fully state the purpose of this bill.
- (4) A new section 3 was added to adopt the provisions of section 692 of the Internal Revenue Code which provides for the abatement of income taxes for persons who die while serving in a combat zone or by terroristic or military action. Accordingly, the remaining sections were renumbered.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1130, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1130, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1098 Judiciary on S.B. No. 795

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 supporting testimony from the Judiciary, the Hawaii State Commission on the Status of Women, the Hawaii State Bar Association and the Hawaii Healthy Mothers, Healthy Babies Coalition.

Your Committee 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.

By funding a staff position on the Chief Justice's Committee on Gender and Other Fairness, the person 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, amending attorneys ethics codes that practice discrimination, establishing a confidential reporting system to review complaints of gender issues, disseminating publications regarding gender issues and training Judiciary personnel regarding gender bias issues.

Your Committee has amended section 1 by reflecting the results of the Judiciary's and other State's studies on gender bias. The remaining sections have been deleted except for the appropriation section. Also, the amounts of \$94,499 and \$82,749 have been inserted into the appropriation request. Technical nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 795, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 795, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1099 Judiciary; Transportation; and Higher Education and the Arts on S.B. No. 353

The purpose of this bill is to impose a \$5 surcharge on all vehicle registration and driver's license renewals for motorcycles, motor scooters, and similar vehicles and the operators of such vehicles. The monies derived from the surcharge will be expended by the University of Hawaii Community College Employment Training Office to finance the operation of a driver's education program for operators of motorcycles, motor scooters, and similar vehicles.

Your Committees find that since 1981, the University of Hawaii Community Colleges Employment Training Office has been responsible for the administration and delivery of the Motorcycle Safety Education Programs. The program has been funded by the monies derived from the drivers' education fund underwriters fee and the revenues derived from student enrollment fees. With the passage of new legislation, operators of motorcycles and motor scooters must complete a motorcycle safety course as a prerequisite to purchase of motorcycle liability insurance which has increased the demand for the training program throughout the State. Your Committees further find that to enable delivery of the Motorcycle Safety Education Program to all counties requires additional funding.

Your Committees has made the following amendments:

1. Lowered the \$5 surcharge to \$2 because additional funds are appropriated in the bill.
2. Added an appropriation section for the sum of \$67,000 for start-up costs for equipment and site preparation to be expended by the University of Hawaii Community Colleges Employment Training Office.
3. Delegated the responsibility of reimbursement of administrative costs to the University of Hawaii because it would be more appropriate.
4. Added a section to the bill to amend section 431:10G-107, Hawaii Revised Statutes, drivers' education fund underwriters' fee, to increase the fee paid by insurers or self-insurers on each motorcycle or motor scooter insured from \$2 to \$6.

Your Committees on Judiciary and Transportation and Higher Education and the Arts are in accord with the intent and purpose of S.B. No. 353, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 353, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yonamine.

SCRep. 1100 Consumer Protection and Commerce on S.B. No. 277

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$42,000,000, in order to finance the acquisition of land and the establishment of transmission lines, generating facilities, other power plant additions, and electrical systems for the Kauai Electric Division of the Citizens Utilities Company.

Your Committee heard supporting testimony from the Department of Business, Economic Development and Tourism and the Citizens Utilities Company.

Your Committee finds that this bill will assist the Kauai Electric Division to improve its capacity to provide reliable electrical energy to the residents of Kauai. In addition, the planned improvements will result in lower electrical energy bills to Kauai ratepayers.

Your Committee amended the bill, as suggested by the Citizen Utilities Company, to include diesel generator units at the Port Allen station as part of this authorization.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 277, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 277, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 1101 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on S.B. No. 1522

The purpose of this bill is to state the terms of the franchise to be granted to Maui Electric Company. The terms of the franchise granted to Maui Electric are the same as the terms of the franchises granted to Lanai and Molokai, as this will make it easier to administer the franchises for the three islands.

The Public Utilities Commission (PUC) testified in support of the bill. However, they wanted to make clear that nothing in the terms of the franchise is intended to change the requirements imposed upon Maui Electric Company, Limited as a public utility under Chapter 269, Hawaii Revised Statutes. Your Committees agree with the PUC on this point.

Your Committees on Consumer Protection and Commerce and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 1522, SD 2 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1102 Human Services on S.B. No. 952

The purpose of this bill is to:

- (1) Facilitate the relocation of the Women's Community Correctional Center (WCCC) to the present Hawaii Youth Correctional Facility (HYCF) site;
- (2) Ensure that the Department of Public Safety (DPS) will be able to renovate the present HYCF facility and build the new structures, if any, required to comply with the consent decree in the Spear v. Ariyoshi case to improve the conditions for women prisoners in Hawaii;
- (3) Facilitate the relocation of the HYCF to the present WCCC site; and
- (4) Ensure that the Office of Youth Services (OYS) will be able to renovate the present WCCC facility and build the new structures required to meet the needs of the youths under its jurisdiction.

Your Committee received testimony in strong support of this bill from the DPS and OYS.

The Department of the Prosecuting Attorney of the City and County of Honolulu and a private citizen testified in favor of relocating WCCC to the HYCF site and vice versa, given the need to provide appropriate, safe, and humane conditions for women and youth prisoners. However, this testimony indicated concerns regarding the loss of the safety net provided by county land use planning, zoning, and building procedures and requirements.

Your Committee emphasizes that both the DPS and the OYS have assured your Committee that in planning and constructing the facilities, public input would be sought, and the needs and aesthetic preferences of the surrounding communities, including the preservation of Mount Olomana, would be addressed.

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

- (1) Provided in the purpose clause that it is the intent of the Legislature that the DPS and the OYS obtain community input in the planning and constructing of renovations as well as new structures, and address with sensitivity the needs and aesthetic preferences of the community;
- (2) Amended Section 353C-2, Hawaii Revised Statutes, to require the Director of the DPS to ensure that correctional facilities and services meet the present and future needs of persons committed to these facilities;
- (3) Amended Section 352D-6, Hawaii Revised Statutes, to require that the Director of the OYS ensure that youth correctional facilities and services meet the present and future needs of youth under the jurisdiction of the facilities;
- (4) Clarified that the exemption from the provisions of Section 205-8, Hawaii Revised Statutes, only apply to the relocation of WCCC to the HYCF site and vice versa, and not to any other facilities used for correctional purposes;

- (5) Required that all lawful nonconforming uses shall be designed and constructed to blend into the pristine natural environment surrounding the facilities and be minimally intrusive, if at all, as to the surrounding communities;
- (6) Required the DPS and the OYS to submit annual reports to the Legislature regarding:
 - (a) The breakdown of the population incarcerated at each facility, including the numbers of serious or violent offenders incarcerated at each facility;
 - (b) An assessment of each facility's ability to accommodate the numbers of serious or violent offenders under its jurisdiction;
 - (c) An assessment of the implementation of programs providing alternatives to incarceration; and
 - (d) All plans and designs for the renovation of existing structures and the building of new structures at each facility, including the status of implementation and the costs of plans, designs, and implementation;
- (7) Provided that the section pertaining to exemption from Section 205-8, shall be repealed on July 1, 1994; and
- (8) 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 S.B. No. 952, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 952, SD 1, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 1103 Finance on S.B. No. 1373

The purpose of this bill is to reduce the taxable wage base for unemployment insurance contributions for calendar year 1991 from the existing 100 percent of the State average annual wage to \$7,000.

The Department of Labor and Industrial Relations testified in favor of this bill, noting that this temporary wage base reduction will save employers \$46,000,000 and will not jeopardize the solvency of the Unemployment Insurance Trust Fund.

Supportive testimony was also presented by the Chamber of Commerce, the Construction Industry Legislative Organization, and the National Federation of Independent Business.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1373, SD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1104 Finance on S.B. No. 1706 (Majority)

The purpose of this bill is to improve the Unemployment Insurance Law for the benefit of both employers and workers by:

- (1) Establishing an Employment and Training Fund to provide a comprehensive and coordinated job training system to help meet the employers' demands for a skilled workforce;
- (2) Instituting a more equitable contribution system designed to create an adequate reserve fund to meet benefit costs and prevent an overaccumulation of moneys; and
- (3) Providing benefit adjustments for unemployed workers.

Your Committee received testimony in favor of this bill from the Department of Labor and Industrial Relations. The Chamber of Commerce, the Construction Industry Legislative Organization, and the National Federation of Independent Business submitted testimony supporting the provisions relating to the institution of a multi-schedule contribution system but generally opposing the other provisions.

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

- (1) Stipulated that the Employment and Training Fund assessment will be imposed only for five years; and
- (2) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1706, SD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1706, SD 2, HD 1.

Signed by all members of the Committee except Representative Yonamine.

(Representative Marumoto did not concur.)

SCRep. 1105 Consumer Protection and Commerce on S.B. No. 1242

The purpose of this bill is to extend the authority of the Public Utilities Commission (PUC) to investigate and cite persons engaged in unlawful public utility, motor carrier, and water carrier activity. This bill also specifies fines and citation procedures to be used by the PUC for those who fail to obtain the proper permits, licenses, or certificates, and authorizes the Commission to employ exempted staff to carry out enforcement functions.

The Hawaii Transportation Association and the PUC testified in support of this bill. With the proper authority to investigate and cite persons who do not comply with the public utility and motor and water carrier laws, the PUC will be able to properly conduct its enforcement responsibilities. Under the current statutes, the PUC did not have this authority.

Your Committee made technical and non-substantive amendments to this bill, as suggested by the PUC.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1242, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1242, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 1106 Consumer Protection and Commerce on S.B. No. 1123

The purpose of this bill is to revise State laws relating to the regulation of pest control operators, pursuant to the recommendations of the Legislative Auditor's sunset evaluation report, by:

- (1) Extending the regulation of pest control operators to December 31, 1997;
- (2) Amending the definition of "household pest" to include birds;
- (3) Changing the composition of the Pest Control Board;
- (4) Requiring all new pest control businesses to be licensed by the Pest Control Board;
- (5) Issuing new pest control business licenses to only those establishments under direct management of an employee possessing all appropriate operating licenses issued by the Board of Agriculture and the Board of Land and Natural Resources; and
- (6) Mandating all new pest control businesses to file an approved general liability insurance policy with the Director of Commerce and Consumer Affairs.

Supportive testimony was submitted by the Pest Control Board, the Board of Agriculture, and the Hawaii Pest Control Association.

Your Committee finds that:

- (1) The expansion of the Pest Control Board from seven to nine members would significantly enhance the Board's ability to fulfill its duties and obligations;
- (2) The regulation of pest control operators should include the extermination of birds because bird control can be hazardous, may involve the use of restricted pesticides, and pose a potential danger to the public;
- (3) The addition of licensing requirements for businesses will ensure that pest control companies use all appropriate safety equipment, and that all operators are properly trained; and
- (4) The insurance requirements will ensure that all pest control businesses have the means to pay for any mishap, clean-up or other consequences with financial obligations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1123, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 1107 Agriculture; Water, Land Use and Hawaiian Affairs; and Planning and Economic Development on H.R. No. 70

The purpose of this resolution is to request that the Department of Agriculture (DOA), Department of Land and Natural Resources (DLNR), and Office of State Planning (OSP) work with members of the local agriculture industry and private landowners to find a solution to the problem of feed lot closures.

Testimony from the DOA, DLNR, OSP, Kahua Meat Company, Ltd., 50th State Dairy Cooperative, and Fred L. Waldron, Limited indicated that:

- (1) Cattle producers in the State were notified on January 21, 1991, that the Hawaii Meat Company (the lessee of the feed lot site owned by the Campbell Estate) will not accept any livestock at their Barber's Point Feed Lot after February 1, 1991;
- (2) Unless replaced, the loss of this feed lot (the only one on Oahu) would cripple the State's livestock industry through:
 - (a) Increasing the cost of imported livestock feed (through the forces of economy of scale), directly affecting the local dairy, hog, and poultry farmers and horse owners as well; and
 - (b) Forcing closure of the remaining multi-species slaughterhouse on the Island of Oahu, severely effecting the hog and dairy operations as well;
- (3) Market factors and economic considerations dictate that the replacement feed lot should be established where the major beef market in the State is located; and
- (4) There may be no better location for livestock feed lot on Oahu than the present 124.19 acres site at Barber's Point.

Due to the significant ripple effects of the imminent closing of the Barber's Point Feed Lot and the need for prompt action, your Committees believe that it would be most helpful to the Legislature for the DOA to submit its recommended solution by April 15, 1991. Your Committees have therefore amended the resolution to request a brief summary report with recommendations by that date followed by a full report before the next session. Your Committees have also made technical, nonsubstantive amendments to the resolution for the purposes of style and clarity.

Your Committees on Agriculture, Water, Land Use and Hawaiian Affairs, and Planning and Economic Development concur with the intent and purpose of H.R. No. 70, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 70, HD 1.

Signed by all members of the Committees.

SCRep. 1108 Agriculture; Water, Land Use and Hawaiian Affairs; and Planning and Economic Development on H.C.R. No. 58

The purpose of this concurrent resolution is to request that the Department of Agriculture (DOA), Department of Land and Natural Resources (DLNR), and Office of State Planning (OSP) work with members of the local agriculture industry and private landowners to find a solution to the problem of feed lot closures.

Testimony from the DOA, DLNR, OSP, Kahua Meat Company, Ltd., 50th State Dairy Cooperative, and Fred L. Waldron, Limited indicated that:

- (1) Cattle producers in the State were notified on January 21, 1991, that the Hawaii Meat Company (the lessee of the feed lot site owned by the Campbell Estate) will not accept any livestock at their Barber's Point Feed Lot after February 1, 1991;
- (2) Unless replaced, the loss of this feed lot (the only one on Oahu) would cripple the State's livestock industry through:
 - (a) Increasing the cost of imported livestock feed (through the forces of economy of scale), directly affecting the local dairy, hog, and poultry farmers and horse owners as well; and
 - (b) Forcing closure of the remaining multi-species slaughterhouse on the Island of Oahu, severely effecting the hog and dairy operations as well;
- (3) Market factors and economic considerations dictate that the replacement feed lot should be established where the major beef market in the State is located; and
- (4) There may be no better location for livestock feed lot on Oahu than the present 124.19 acres site at Barber's Point.

Due to the significant ripple effects of the imminent closing of the Barber's Point Feed Lot and the need for prompt action, your Committees believe that it would be most helpful to the Legislature for the DOA to submit its recommended solution by April 15, 1991. Your Committees have therefore amended the resolution to request a brief summary report with recommendations by that date followed by a full report before the next session. Your Committees have also made technical, nonsubstantive amendments to the concurrent resolution for the purposes of style and clarity.

Your Committees on Agriculture, Water, Land Use and Hawaiian Affairs, and Planning and Economic Development concur with the intent and purpose of H.C.R. No. 58, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 58, HD 1.

Signed by all members of the Committees.

SCRep. 1109 Finance on H.C.R. No. 290

The purpose of this concurrent resolution is to request the Legislative Auditor to review the State's tax structure to evaluate how certain "hidden taxes" might be altered in structure to counterbalance the general excise tax and the income tax.

These "hidden taxes" refer to products and services such as fuel, hotel room rental, alcoholic beverages, and tobacco products that are subject to the State's general excise tax as well as other excise taxes based on transactions.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 290 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1110 Finance on H.C.R. No. 194

The purpose of this concurrent resolution is to request the Legislative Auditor to study the feasibility of implementing different approaches to the legislative budget process intended to improve the process.

The size and complexity of the State budget have increased greatly over the past few decades, while the amount of time available to the Legislature to evaluate the budget has not changed. Consequently, it is difficult for the Legislature to make a comprehensive evaluation of the budget under the current process.

Testimony was received from the Department of Budget and Finance.

Your Committee on Finance is in accord with the intent and purpose of H.C.R. No. 194 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1111 Finance on H.C.R. No. 195

The purpose of this concurrent resolution is to request the Legislative Auditor to review the procurement procedures used by all State agencies to award nonbid consultant contracts in excess of \$100,000 and suggest methods to develop a more accountable system.

In addition, the Legislative Auditor in the report is to list all nonbid contracts in excess of \$100,000 approved by State departments during the last five years.

Testimony in support of the intent of this concurrent resolution was submitted by the Department of Accounting and General Services.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 195 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1112 Finance on H.C.R. No. 168

The purpose of this concurrent resolution is to request the Legislative Auditor to review the State tax system by assessing the fiscal ramifications to Hawaii's economy of using tax expenditures instead of direct appropriations to provide government support to activities.

The report should include:

- (1) A schedule of all tax deductions, tax exclusions, and tax credits issued by the State;
- (2) An estimate of projected aggregate State revenues lost through these tax breaks for fiscal year 1991-1992;
- (3) A comparison of State revenues lost through direct appropriations and tax expenditures for fiscal year 1991-1992; and
- (4) A determination of the estimated cost of new tax breaks approved or proposed during the Regular Session of 1991.

Legislators have two basic options to provide financial assistance to activities they wish to support. They may appropriate moneys received from tax revenues to participants in these activities, or they may offer tax breaks to participants in these activities. One attraction of offering tax breaks instead of direct appropriations is that tax breaks have no apparent cost to the government. However, one problem is the difficulty in knowing in advance how much tax breaks will cost the government in lost tax revenues.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 168 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1113 Finance on S.B. No. 2135 (Majority)

The purpose of this bill is to:

- (1) Establish a multiagency task force (task force) to educate the public about the impending solar eclipse and about eye safety when viewing this phenomena; and
- (2) Appropriate \$10,000 for the administration of the task force and for eye safety education.

On July 11, 1991, a one hundred percent total solar eclipse of the sun will occur in the Hawaiian skies. While the total solar eclipse may be a once-in-a-lifetime event for most residents and visitors, direct viewing of any portion of the solar eclipse without protection will result in severe damage to the human eye.

The activities proposed in this measure should provide the necessary information to the public so that people viewing the total solar eclipse will do so safely, with adequate eye protection.

The Department of Business, Economic Development, and Tourism submitted testimony supporting the intent of this measure.

The measure has been amended by:

- (1) Replacing the \$10,000 appropriation with \$1 for purposes of continued discussion; and
- (2) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2135, SD 1, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2135, SD 1, HD 2.

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

SCRep. 1114 Finance on S.B. No. 1812

The purpose of this bill is to:

- (1) Extend the current suspension of the escalator clause of Hawaii's liquor tax until June 30, 1993; and
- (2) Clarify recordkeeping requirements and other procedural provisions with regard to Hawaii's liquor tax by deleting references to "unit price" from Section 244D-1, Hawaii Revised Statutes (HRS), and "dollar volume" from Sections 244D-6, and 244D-9, HRS.

Testimony was submitted by the Department of Taxation, the Tax Foundation of Hawaii, Anheuser Busch Companies, Coors Brewing Company, and Miller Brewing Company.

The Department of Taxation testified that the elimination of references to "dollar volume" and "unit price" would:

- (1) Purge a valuable source of statistical data from the Department of Taxation and the Legislature; and
- (2) Render the "escalator clause" of Hawaii's liquor tax unworkable because references to "dollar volume" and "unit price" were not deleted from Section 244D-4.5, HRS.

Accordingly, your Committee has amended this bill by reinstating the use of the terms "dollar volume" and "unit price" in Chapter 244D, HRS. In addition, technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1812, SD 1, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1812, SD 1, HD 2.

Signed by all members of the Committee.

SCRep. 1115 Finance on S.B. No. 8

The purpose of this bill is to establish the Hawaii Property Insurance Association to ensure the availability of basic property insurance in areas exposed to natural disasters.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the County Council of the County of Hawaii, the Hawaii Island Board of Realtors, Inc., and the Hawaii Association of Realtors. In addition, while supporting the general intent of this bill, the State Farm Insurance Companies, the Island Insurance Companies, and the Hawaii Insurers Council proposed various amendments to the bill, including limiting the application of this bill to only single-family dwellings.

Your Committee has amended this bill by:

- (1) Deleting the provision exempting the Hawaii Property Insurance Association from taxes and fees levied by the State;
- (2) Deleting the provision allowing a member insurer to offset assessments against its premium tax liability to this State; and
- (3) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 8, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 8, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1116 Finance on S.B. No. 2114

The purpose of this bill is to appropriate funds for the planning and design of improvements to the Ala Moana gateway to Waikiki. The Ala Moana gateway improvement project consists of two components: Ala Moana Boulevard improvements and Ala Wai Yacht Harbor improvements.

The Department of Transportation, the Hilton Hotels Corporation, and the Waikiki Improvement Association testified in support of this bill; however, the Ala Moana Bowls Coalition and Local Motion Sportswear testified in opposition to this bill. Your Committee also received testimony from the Queen Emma Foundation.

Your Committee has amended this bill by:

- (1) Increasing the appropriation for fiscal year 1991-1992 from \$1 to \$2 for purposes of continued discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2114, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2114, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1117 Finance on S.B. No. 1224

The purpose of this bill is to exempt from the general excise tax, amounts received by the operator of a county transportation system from a political subdivision under an operating contract with the political subdivision, where the political subdivision is the owner of the county transportation system.

The Department of Taxation and the Department of Transportation Services of the City and County of Honolulu testified in favor of this bill. Your Committee also received testimony from the Tax Foundation of Hawaii.

Your Committee has amended the bill by:

- (1) Clarifying that the effective date is to be retroactive to January 1, 1991; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1224, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1224, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1118 Finance on S.B. No. 1410

The purpose of this bill is to:

- (1) Appropriate \$15,000,000 for fiscal year 1990-1991 for emergency operating expenses for community hospitals; and
- (2) Deposit \$5,000,000 into the Community Hospital Special Fund.

The Department of Health (DOH) testified in favor of this bill, citing the need for additional funds to meet current operating expenses.

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

- (1) Deleted the provision that deposited \$5,000,000 into the Community Hospital Special Fund; and
- (2) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1410, SD 1, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1410, SD 1, HD 2.

Signed by all members of the Committee.

SCRep. 1119 Finance on S.B. No. 2102

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

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

Testimony in support of this measure was received from the Department of Budget and Finance.

For purposes of continued discussion, your Committee has amended this measure by changing the effective date to July 1, 1991.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2102, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1120 Finance on S.B. No. 1240

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 S.B. No. 1240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1240, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1121 Finance on S.B. No. 1215

The purpose of this bill is to conform Hawaii's income tax law to the changes in the Internal Revenue Code made by Congress in 1990.

Your Committee received testimony from the Department of Taxation and the Tax Foundation of Hawaii that conformity between state and federal income tax laws simplifies taxpayer compliance and eases administration of the law by the State.

This bill includes provisions that:

- (1) Make housekeeping amendments to Section 235-2.3, Hawaii Revised Statutes, to reflect new or repealed federal code sections; and
- (2) 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.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1215, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1215, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1122 Finance on S.B. No. 2101

The purpose of this bill is to appropriate or authorize funds for land acquisition, plans, design, site preparation, improvements to land, construction, and necessary equipment for capital improvement projects.

Your Committee finds that this bill will serve as a vehicle for funding of additional capital improvement projects deemed necessary by the Legislature.

For purposes of further discussion, your Committee has amended the amounts specified for each project from \$1 to \$2. 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 S.B. No. 2101, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2101, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1123 Finance on S.B. No. 1778

The purpose of this bill is to implement the findings and recommendations of the Legislative Auditor with regard to the special and revolving funds administered by the Department of Budget and Finance, the Department of Accounting and General Services, and the Department of Agriculture.

Your Committee received testimony from the Department of Budget and Finance and the Department of Accounting and General Services in opposition to implementing all of the recommendations of the Legislative Auditor. Testimony was also received from the Tax Foundation of Hawaii.

Upon further consideration, your Committee has amended this bill by deleting the substance and inserting provisions of H.B. No. 838, HD 1, which retains only the language repealing the State telecommunications site and equipment maintenance revolving fund and creates the State telecommunications site and equipment maintenance program.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1778, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1778, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1124 Finance on S.B. No. 1379

The purpose of this bill is to improve the grants, subsidies, and purchases of services provisions by:

- (1) Streamlining the process of the purchase of services (POS) contracts by placing the POS provisions under the public money and contracts provisions of Chapter 103, Hawaii Revised Statutes (HRS);
- (2) Creating a new chapter for grants and subsidies; and
- (3) Removing the authority of the Legislature to consider and fund requests for purchases of service which are not included in the budgets submitted by the Executive and Judicial branches.

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

However, private organizations presented testimony stressing the significance of retaining the Legislature's existing role in the Chapter 42 process, in order to provide a timely response to community needs and serve as a safety valve for errors which occur within the system.

Upon further consideration, your Committee incorporates its previous findings stated in House Standing Committee Report No. 654 on H.B. No. 938, HD 1, and has amended this bill by deleting its provisions and inserting the contents of H.B. No. 938, HD 1.

More specifically, the bill in its amended form:

- (1) Requires State agencies to identify and assess needs for services and evaluate the most appropriate service delivery system. If the agency determines that the services can be better addressed through a private provider, the agency is to submit a recommended budget as part of the Executive or Judiciary budget, and would advertise for proposals upon appropriation of funds;
- (2) Allows for requests for grants and subsidies which are not included in the budget request to be submitted directly to the Legislature for consideration;
- (3) Establishes an advisory council to assist decision makers in identifying community specific priorities in terms of basic services, funding recommendations, and new or expanded services; and

- (4) Authorizes State agencies to extend existing grant, subsidy, or purchase of service contracts from a current fiscal biennium into the first three months of the subsequent fiscal year or biennium, provided certain conditions are met.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1379, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1379, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1125 Finance on S.B. No. 1223

The purpose of this bill is to provide for the consistent application of the Fuel Tax Law by:

- (1) Amending the statute of limitations period for monthly fuel tax returns filed under Chapter 243, Hawaii Revised Statutes (HRS), to three years from the prescribed filing date or the date the return is filed, whichever is later;
- (2) Providing that in the case of a false or fraudulent fuel tax return or statement, or the failure to file the tax return, the fuel tax may be assessed at any time;
- (3) Allowing the extension of time for the assessment, levy, collection, or credit of the fuel tax when a written agreement is entered into by the taxpayer and the Department of Taxation before the expiration of the statute of limitations;
- (4) Providing that the statements filed under Chapter 243, HRS, containing information on the number of gallons of fuel manufactured, refined, sold, or used by a distributor are public records;
- (5) Amending the definition of "person" to include trusts, estates, and partnerships to be consistent with the definition of "person" in other tax chapters administered by the Department of Taxation; and
- (6) Making other technical amendments to Chapter 243, HRS, relating to the reports filed by distributors and examinations conducted by the Department of Taxation.

Your Committee received testimony in support of this measure from the Department of Taxation and the Department of Business, Economic Development, and Tourism. Testimony was also submitted by the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1223, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1126 Finance on S.B. No. 1254

The purpose of this bill is to promote the efficient use of private activity bonds, thereby optimizing the State's funding of desirable private activity projects, by:

- (1) Requiring each county to submit a written report to the Department of Budget and Finance by December 15 of each year detailing the amount of allocation that has not been applied to private activity bonds; and
- (2) Providing 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 not applied to private activity bonds in the year, the unassigned or unused allocation shall revert to the State on December 31 of that year.

Testimony in support of this bill was received from the Department of Budget and Finance.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1254, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1127 Finance on S.B. No. 1914

The purpose of this bill is to provide tax rates for all domestic and foreign insurers and to provide tax credits for those who comply with the requirements.

Specifically, this measure would:

- (1) Cancel preferential tax rates levied on Hawaii insurance companies by taxing authorized domestic and foreign insurers at the same rates;
- (2) Require taxes on gross insurance premiums to be collected on a quarterly basis with payments to be based on either:
 - (A) The actual taxable gross premiums received for the first two months of the quarter multiplied by 1.5; or
 - (B) 27.5 percent of the insurer's tax liability for the pending calendar year;
- (3) Authorize tax credits, not exceeding 1.2 percent of the gross premiums taxed, to qualified insurers;
- (4) Furnish a rebate policy to insured individuals from insurers who receive refunds as a result of taxes paid over the year; and
- (5) Provide an alternative schedule of tax rates in the event that provisions in this bill are found unconstitutional.

Testimony in support of the intent of this measure was submitted by the Department of Taxation, the Hawaii Domestic Insurers Tax Committee, and the Hawaii Domestic Preference Insurance Legislative Group.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1914, SD 2, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1128 Finance on S.B. No. 1213

The purpose of this bill is to amend the laws relating to the collection and payment of restitution to consumers in actions brought by the Office of Consumer Protection by:

- (1) Removing unnecessary judicial restrictions with regard to the provision of restitution to injured consumers;
- (2) Allowing the Office of Consumer Protection to establish and maintain an account to hold and distribute monies received or recovered that are due to consumers as restitution; and
- (3) Authorizing the Director of the Office of Consumer Protection to assign restitution claims to injured consumers.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1213, SD 1, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1129 Finance on S.B. No. 1218

The purpose of this bill is to:

- (1) Allow utility companies to file public service company tax returns on a fiscal year basis rather than on a calendar year basis;
- (2) Conform limitation periods for public service company tax assessments and refunds with State income tax laws; and
- (3) Allow utilities to file an amended return during the first two years of operation for an adjustment on any estimated public service company tax return, in lieu of an administrative redetermination by the Director of Taxation.

Testimony in support of this measure was submitted by the Department of Taxation. Testimony was also submitted by the Tax Foundation of Hawaii and Gasco, Inc.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1218, SD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1130 Finance on S.B. No. 1229

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 did not specifically refer 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 S.B. No. 1229 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1131 Finance on S.B. No. 1220

The purpose of this bill is to:

- (1) Amend Section 235-97, Hawaii Revised Statutes (HRS), to require estates and trusts to file declarations of, and to pay, estimated income taxes;
- (2) Clarify that S corporations are required to file estimated returns;
- (3) Amend reference to the attribution of income to reflect a 1988 amendment by substituting a reference to Sections 235-21 to 235-29, HRS, for the reference to Section 235-5, HRS, which no longer applies to business income; and
- (4) Increase the floor for the filing of estimated taxes from \$40 to \$100.

Your Committee finds that this measure will increase conformity with existing provisions of the Internal Revenue Code as well as simplify taxpayer compliance.

Your Committee received testimony in support of this measure 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 S.B. No. 1220 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1132 Finance on S.B. No. 1227

The purpose of this bill is to allow general contractors to claim a general excise tax subcontractor deduction for payments made to foreign subcontractors who are not required to be licensed under the laws of the State of Hawaii because these foreign subcontractors perform services exclusively on federal property.

At the present time, Section 237-13(3)(B), Hawaii Revised Statutes (HRS), allows a contractor to take a deduction from gross income for amounts paid to a subcontractor, if the subcontractor:

- (1) Is licensed pursuant to Chapter 444, HRS; and
- (2) Has paid the State the four percent general excise tax on the amount of the gross income being deducted.

Because foreign subcontractors working only on projects on federal property currently are not required to be licensed under Chapter 444, HRS, a general contractor could not claim this deduction for payments made to a foreign subcontractor. This results in discrimination against foreign subcontractors because it is cheaper for the general contractor to hire a locally licensed subcontractor, even if a foreign subcontractor bids the same price.

This bill allows general contractors to claim the subcontractor deduction for foreign subcontractors as well as locally licensed subcontractors.

Your Committee received testimony in favor of this bill from the Department of Taxation noting that this new deduction would apply to a very narrow set of circumstances and class of foreign subcontractors working exclusively on projects on federal property. The Tax Foundation of Hawaii also submitted testimony.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1227, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1133 Finance on S.B. No. 1228

The purpose of this bill is to provide for a special statute of limitations with respect to net operating loss carrybacks.

Currently, Hawaii's Income Tax Law has no provisions comparable to federal income tax provisions regarding the statute of limitations with respect to net operating loss carrybacks. This bill provides that if an overpayment results from a

net operating loss carryback, the general statute of limitations under section 235-111(a), Hawaii Revised Statutes (HRS), will not apply. Instead, the overpayment must be credited by the later of:

- (1) Three years from the due date prescribed for filing the return (including extensions thereof) for the taxable year of the loss; or
- (2) The period as extended by agreement under section 235-111(c), HRS.

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 S.B. No. 1228 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1134 Finance on S.B. No. 1398

The purpose of this bill is to authorize the Department of Business, Economic Development, and Tourism (Department) to transfer moneys, as the need arises, among the following business loan revolving funds: the Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund; the Hawaii Small Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund; the Hawaii Capital Loan Revolving Fund; and the Hawaii Innovation Development Fund.

In addition, the measure requires the Department to report any transfer made under this measure to the Legislature within ten days of the transfer.

Your Committee received testimony in support of this measure from the Department and the High Technology Development Corporation, which indicated that further appropriations from the general fund would not be needed by the business loan programs if the transfer authority is granted. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1398, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1135 Finance on S.B. No. 1219

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 current 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.

Currently, under 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, then the Department of Taxation is barred from recovering any taxes.

This bill would suspend the running of the limitation period during Title XI bankruptcy proceedings, plus an additional sixty days. When the suspension period ends, the unexpired portion of the limitation period starts running again.

Your Committee finds that the provisions of this measure are similar to Section 6503(j) 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 S.B. No. 1219 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1136 Finance on S.B. No. 1702

The purpose of this bill is to allow S corporations to elect to deduct net operating losses sustained as a C corporation prior to January 1, 1990.

Testimony in support of this measure was received from the Department of Taxation and Deloitte and Touche. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1702, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1137 **Finance on S.B. No. 420**

The purpose of this bill is to increase Medicaid's private provider reimbursement from the current rate of fifty-six percent of customary fees to sixty percent.

Testimony in support of this measure was received from the Department of Human Services, the Mental Health Association in Hawaii, the Hawaii Public Health Association, the Honolulu Community Action Program, and a private citizen.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 420, SD 2, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1138 **Finance on S.B. No. 248**

The purpose of this bill is to promote energy efficiency as a strategy for lowering the State's dependence on oil.

This bill encourages the full use of energy-saving technology available for building lighting by appropriating \$30,000 to replace less efficient or obsolete lamps, ballasts, and fixtures in State office buildings with high-efficiency devices.

The Department of Business, Economic Development, and Tourism; the Department of Accounting and General Services; the Hawaiian Electric Company, Inc.; the Sierra Club; and the Big Island Rainforest Action Group all testified in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 248, SD 1, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1139 **Finance on S.B. No. 1424**

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; and
- (3) Administrative or executive assistants.

These positions, however, 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 Committee on Finance is in accord with the intent and purpose of S.B. No. 1424, SD 2, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1140 **Finance on S.B. No. 1792**

The purpose of this bill is to clarify and strengthen the existing correctional industries law.

Specifically, this bill provides for the following:

- (1) Allows the correctional industries to also construct, renovate, and repair the grounds, furniture, vehicles, and equipment of private nonprofit social service, education, and health agencies and programs;
- (2) Broadens the range of purchases made for correctional industries purposes which are exempt from the public bidding requirements of Chapter 103, Hawaii Revised Statutes;
- (3) Authorizes the use of the Correctional Industries Revolving Fund to pay inmates for their labor;
- (4) Deletes current provisions which require a portion of the inmates compensation to be paid to the State to defray the costs of operation; and

- (5) Allows the Department of Public Safety to use earnings obtained by inmates to offset restitution, thus enabling the Department to qualify for federal certification of its correctional industries program.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1792, SD 2, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1141 Finance on S.B. No. 1130

The purpose of this bill is to grant State tax relief, retroactive to August 2, 1990, to Hawaii's military personnel deployed to the Persian Gulf.

Specifically, this measure permits individuals serving with or in support of the United States Armed Forces in Operation Desert Shield and Storm deployment areas to defer:

- (1) Filing tax returns;
- (2) Paying estimated taxes;
- (3) Filing a claim for credit or refund of tax; and
- (4) Other actions associated with tax requirements.

This deferral will be permitted during the period of service or associated hospitalization inside or outside the United States, and for an additional one-hundred eighty days. This deferral extends to the spouses of persons qualified for the tax deferral.

This measure also provides for the following tax benefits:

- (1) Interest on refund returns will be allowed from the due date of the return, regardless of the filing date;
- (2) Limitation periods prescribed for certain income tax credits shall not apply. The periods instead, shall be postponed and based on the deferral period prescribed by Section 7508 of the Internal Revenue Code (with respect to time for performing certain acts postponed by reason of service in combat zone), as adopted for State purposes; and
- (3) Section 692 of the Internal Revenue Code (with respect to income taxes of members of armed forces on death), shall be operative for income tax purposes and the Department of Taxation shall have the authority to abate income taxes for those who die in action.

Your Committee received testimony in support of this measure from the State of Hawaii Department of Defense and 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 S.B. No. 1130, SD 2, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1142 Finance on S.B. No. 1157

The purpose of this bill is to authorize the Department of Budget and Finance to issue refunding special purpose revenue bonds to assist the continued provision of residential and health care service to the elderly at the Pohai Nani Good Samaritan Kauhale in Kaneohe, Oahu.

The Evangelical Lutheran Good Samaritan Society and a private citizen testified in support of this measure.

Your Committee has amended the bill to correct an erroneous statutory reference in the bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1157, SD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1157, SD 1, HD 1.

Signed by all members of the Committee.

SCRep. 1143 Finance on S.B. No. 1273

The purpose of this bill is to establish a Forest Stewardship Grant Program to financially assist private landowners in managing, protecting, and restoring important watersheds, timber resources, fish and wildlife habitats, isolated populations of rare and endangered plants, native vegetation, and other lands that are not recognized as potential natural area reserves.

Your Committee received testimony supporting the intent of this measure from the Department of Land and Natural Resources, the Department of Health, the College of Tropical Agriculture and Human Resources of the University of Hawaii, the Nature Conservancy of Hawaii, the Hawaii Visitors Bureau, and the Sierra Club.

Upon further consideration, your Committee has made technical, nonsubstantive amendments to this measure for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1273, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1273, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1144 Finance on S.B. No. 390

The purpose of this bill is to create a new chapter to regulate travel agencies that:

- (1) Requires travel agencies to register with the Director of Commerce and Consumer Affairs (DCCA) prior to selling or advertising travel agencies;
- (2) Requires each travel agency to renew its registration on or before December 31 of each odd-numbered year;
- (3) Requires travel agencies to submit certain information and disclosures to the consumer at the time of payment for travel services;
- (4) Requires travel agencies to deposit all moneys received from consumers for travel services in a trust account within three business days of receipt;
- (5) Provides a means for consumers to recover damages and costs;
- (6) Provides criminal penalties for travel agents who violate the requirements established in the measure; and
- (7) Requires the DCCA to use moneys available in the education fund to inform travel agencies and the public about the new law.

In addition, this bill repeals the current travel agency law, except for those sections that relate to the Travel Agency Recovery Fund. The bill also provides for the phasing out of the Recovery Fund, and provides that all funds remaining in the Recovery Fund after the resolution of all civil proceedings commenced prior to October 1, 1993, shall become part of the Compliance Resolution Fund for use in travel agency-related cases.

The Department of Commerce and Consumer Affairs, the Office of the Mayor of the County of Maui, and the Activity Owners Association of Hawaii testified in support of the bill. Your Committee also received testimony from the Travel Institute of the Pacific.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 390, SD 1, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 390, SD 1, HD 2.

Signed by all members of the Committee.

SCRep. 1145 Finance on S.B. No. 1353

The purpose of this bill is to amend the ceiling for Nursing Home Without Walls program expenditures to the amount authorized by the federal Health Care Financing Administration.

Testimony in support of this measure was received from the Department of Human Services (DHS), the State Planning Council on Developmental Disabilities, and the Kokua Council for Senior Citizens. The DHS representative testified that this measure will allow the Department to plan client expenditures over a five-year period of time based on the more predictable federal ceiling.

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 S.B. No. 1353, SD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1353, SD 1, HD 1.

Signed by all members of the Committee.

SCRep. 1146 Finance on S.B. No. 1901

The purpose of this bill is to establish an International Flight Training Center to provide professional pilot education and training for the Pacific Basin.

Favorable testimony was received from the University of Hawaii, the Department of Transportation, Honolulu Community College, Toyota Aviation, United Airlines, Aloha Island Air, and Discovery Airways.

Your Committee has amended the bill by:

- (1) Moving the appropriation of \$10,705 for fiscal year 1991-1992 to fiscal year 1992-1993;
- (2) Deleting the appropriation of \$695,000 for fiscal year 1992-1993;
- (3) Changing the effective date to July 1, 1992; and
- (4) Making other technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1901, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1901, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1147 Finance on S.B. No. 1167

The purpose of this bill is to establish a Juvenile Justice Information System to collect, analyze, and disseminate juvenile offender information for use by juvenile justice agencies in carrying out their responsibilities.

Testimony in support of the measure was submitted by the Department of the Attorney General, the Department of Public Safety, the Office of the Public Defender, the Judiciary, the Juvenile Justice Interagency Board, the Juvenile Justice Information System Task Force, the Police Departments of the City and County of Honolulu, Counties of Hawaii, Kauai, and Maui, and the Prosecuting Attorney of Kauai County.

Your Committee has amended this bill by:

- (1) Changing the appropriated amounts to \$2 each for purposes of further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1167, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1167, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1148 Finance on S.B. No. 1378

The purpose of this bill is to protect and preserve Hawaii's scenic beauty and its native plants and animals by establishing a Natural Area Partnership Grant Program in the Department of Land and Natural Resources (DLNR).

The program will provide \$2 of State funds for each \$1 that the private sector contributes for the management of private lands that are dedicated to conservation. This bill appropriates \$500,000 to be paid into the Natural Area Reserve Fund for these grants.

The DLNR, the Department of Health, the County Council of the County of Hawaii, and the Nature Conservancy of Hawaii testified in support of this measure.

Your Committee has amended this bill as follows:

- (1) Added a definition of "board" in Section 2; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1378, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1378, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1149 Finance on S.B. No. 1230

The purpose of this bill is to amend the provisions of the withholding tax on the disposition of real property by nonresidents by:

- (1) Decreasing the amount of withholding from nine percent to five percent of the amount realized;
- (2) Allowing the transferor to apply for a withholding certificate if the transferor will not realize any gain from the transfer, or if there will be insufficient proceeds to pay the withholding after payment of transaction costs;

- (3) Exempting from withholding any transfer of property which was used by the transferor as a principal residence in the year preceding the transfer, providing the amount realized for the property does not exceed \$300,000;
- (4) Treating any foreign corporation certified or authorized to transact business in Hawaii as a resident person;
- (5) Including the state and the counties, and their respective subdivisions, agencies, authorities, and boards, in the definition of a transferee; and
- (6) Allowing the Department of Taxation to enter into written agreements with persons who engage in more than one real property sale a year or other persons to whom meeting the withholding requirements are not practicable.

Testimony in support of this measure was submitted by the Department of Taxation, the Chamber of Commerce of Hawaii, and the Hawaii Association of Realtors. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee has amended this bill to restore partnerships formed under Chapter 425, Hawaii Revised Statutes, as well as those registered under that chapter, under the definition of "resident person." A technical, drafting correction has also been made.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1230, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1230, HD 2.

Signed by all members of the Committee.

SCRep. 1150 Finance on S.B. No. 1198

The purpose of this bill is to:

- 1) Clarify obsolete provisions regarding fees and licensing boards;
- 2) Establish certain limited delegated authority to executive secretaries of boards and commissions; and
- 3) Provide that certain penalties and fines assessed as a result of actions brought for violations of Chapters 480 and 487, Hawaii Revised Statutes (HRS), shall be deposited in the special fund already provided for in Section 26-9, HRS.

Under this bill, each board and commission, as well as the Director of the Department of Commerce and Consumer Affairs (DCCA), may delegate to the executive secretary or other personnel any of its powers and duties as it deems reasonable and proper for the administration of the licensing laws which are within the jurisdiction of the DCCA. However, no authority shall be delegated that adopts, amends, or repeals rules or takes final disciplinary action against a licensee.

Your Committee received testimony in support of this measure from the DCCA.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1198, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1198, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1151 Finance on S.B. No. 1383

The purpose of this bill is to:

- (1) Amend Chapter 346, Hawaii Revised Statutes, to establish a homeless shelter stipend program that provides emergency and transitional shelters for the homeless with a flexible funding mechanism to assist in covering operating costs;
- (2) Appropriate funds for the homeless shelter stipend program, homeless outreach programs, and the emergency grants program; and
- (3) Authorize the Director of Finance to issue general obligation bonds for plans, design, construction, and land costs pertaining to specified homeless capital improvement projects.

Your Committee received testimony in support of this measure from the Department of Human Services, the Office of Children and Youth, the Homeless Concerns Committee, the Affordable Housing Alliance, and the Kokua Council for Senior Citizens.

Testimony from the Department of Human Services requested the deletion of the appropriation and bond authorization sections in the bill, emphasizing its support for the Executive Budget and Governor's message with regard to funding for the homeless package.

Accordingly, your Committee has amended the bill by deleting all appropriation and bond authorization sections.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1383, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1383, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1152 Finance on S.B. No. 1726

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$1 to assist the Puna Geothermal Venture in financing geothermal energy projects in Puna, Hawaii.

The Department of Business, Economic Development, and Tourism; the Sierra Club, Hawaii Chapter; the Big Island Rainforest Action Group; and the Puna Geothermal Venture testified on this measure.

Your Committee has amended this bill as follows:

- (1) Increased the amount of special purpose revenue bonds from \$1 to \$5,000,000;
- (2) Inserted a new Section 4 that establishes the lapse date of June 30, 1994; and
- (3) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1726, SD 1, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1726, SD 1, HD 2.

Signed by all members of the Committee.

SCRep. 1153 Finance on S.B. No. 1534

The purpose of this bill is to require the Director of Labor and Industrial Relations to conduct an annual evaluation of the adequacy of the Unemployment Insurance Fund balance by taking into account conditions in the State and national economic trends, and report findings to the Legislature before each regular session.

Your Committee received favorable testimony from the Department of Labor and Industrial Relations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1534, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1154 Finance on S.B. No. 1382

The purpose of this bill is to establish the Homeless Families Assistance Act to respond to the needs of homeless families by:

- (1) Authorizing the Director of Human Services to provide services and benefits for the homeless;
- (2) Providing facilities primarily for homeless families who are in need of emergency or transitional facilities;
- (3) Allowing each county to provide exemptions for homeless facilities and other homeless programs; and
- (4) Exempting organizations operating or managing a homeless facility or homeless program from the general excise tax.

Testimony in support of this measure was received from the Department of Human Services, the Office of Children and Youth, the Office of Housing and Community Development, and the Honolulu Community Action Program. Testimony was also received from the Department of Taxation.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1382, SD 2, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1155 Finance on S.B. No. 621

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, which provides for teacher classification beyond Class VI into the newly created Class VII.

Testimony in support of this measure was received from the Department of Education and the Hawaii State Teachers Association.

The bill has been amended by inserting the sum of \$3,039,993 for fiscal year 1991-1992 and the sum of \$4,663,298 for fiscal year 1992-1993 in the appropriation section.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 621, SD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 621, SD 2, HD 1.

Signed by all members of the Committee.

SCRep. 1156 Finance on S.B. No. 1286

The purpose of this bill is to provide the Director of Personnel Services and State agency appointing authorities with the authority to provide incentives to help overcome recruitment difficulties for certain positions which are essential to the needs of the public or in a shortage category.

The Department of Personnel Services testified in favor of the intent of the bill.

Your Committee has amended the bill to correct references to a nonexistent statutory provision.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1286, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1286, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1157 Finance on S.B. No. 1381

The purpose of this bill is to establish a commission within the Department of Education to set the performance standards of achievement expected of public school students and the means to assess educational achievement.

Testimony in support of this measure was received from the Board of Education and the Hawaii Business Roundtable.

The bill has been amended by:

- (1) Inserting the nominal sum of \$1 in the appropriation section for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1381, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1381, SD 2, HD 2.

Signed by all members of the Committee.

SCRep. 1158 Finance on S.B. No. 1372

The purpose of this bill is to:

- (1) Allow the Department of Health (Department) to establish charges and fees for any services provided; and
- (2) Prohibit the Department from refusing to provide a service due to a client's inability to pay the fee established for the service.

The Department submitted testimony in strong support of this measure noting that, currently, there is a great variation in its authority to establish charges and fees for services rendered.

The measure has been amended to allow State public health facilities, which do not receive general fund augmentation, to retain up to 50 percent of their special fund revenues in their respective hospital special funds for payment of operating expenditures instead of transferring those monies into the special facility administration fund. Currently, the State public health facilities may retain up to 25 percent of their unrequired special fund revenues for these purposes.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1372, SD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1372, SD 1, HD 1.

Signed by all members of the Committee.

SCRep. 1159 Finance on S.B. No. 1045

The purpose of this bill is to permit the University of Hawaii's Board of Regents to set the salary of the President of the University by deleting the current statutory cap on the President's salary.

Testimony in support of this measure was received from the Board of Regents of the University of Hawaii. Testimony indicated that according to recent surveys, the President of the University of Hawaii is one of the lower paid presidents in the group of presidents of comparably-sized public universities.

Your Committee has amended this bill to provide that:

- (1) The cap on the salary of the President of the University of Hawaii shall be restored in five years; and
- (2) The Board of Regents shall submit to the Legislature annually a salary schedule of all University of Hawaii executive and managerial positions, including that of the President.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1045, SD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1045, SD 1, HD 1.

Signed by all members of the Committee.

SCRep. 1160 Finance on S.B. No. 1082

The purpose of this bill is to require public employers to disclose the name, social security number, bargaining unit, and the mailing address of each employee on file of the appropriate bargaining unit to the exclusive representative.

The Department of Personnel Services and the Hawaii Government Employees Association testified in support of this bill.

Based on the recommendation of the Department of Personnel Services, your Committee has made a technical amendment so that public employers would be required to disclose the mailing address on file of each employee in the appropriate bargaining unit.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1082, SD 1, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1082, SD 1, HD 2.

Signed by all members of the Committee.

SCRep. 1161 Finance on S.B. No. 1084

The purpose of this bill is to allow the Board of Trustees of the Hawaii Public Employees Health Fund (Board) to appoint its own legal counsel. This measure would also allow the Attorney General or the Attorney General's representative to serve as the Board's legal adviser.

Testimony in support of this measure was received from the Hawaii Government Employees Association, Local 152. Testimony was also received from the Hawaii Public Employees Health Fund.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1084, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1084, HD 2.

Signed by all members of the Committee.

SCRep. 1162 Finance on S.B. No. 1338

The purpose of this bill is to:

- (1) Require that any teacher promoted to the position of vice-principal be placed in the lowest step of the salary range for vice-principals, provided that the new salary shall constitute an increase of at least twelve percent over the person's last salary as a teacher;
- (2) Require that the salary of any vice-principal who was promoted to that position under the rule which provided a salary increase of at least eight percent shall be appropriately adjusted to reflect the minimum salary increase of at least twelve percent; and
- (3) Set the salary range of the deputy district superintendents to an unspecified amount effective July 1, 1991.

The Department of Education and the Hawaii Government Employees Association, Local 152 submitted testimony in support of this measure.

Upon further consideration, your Committee has amended the bill by deleting section 1 of the bill relating to the promotion and salaries of vice principals.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1338, SD 2, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1338, SD 2, HD 2.

Signed by all members of the Committee.