

SCRep. 949-92 Labor and Public Employment on S.B. No. 3080

The purpose of this bill is to amend the Workers' Compensation Law so that all workers whose work injuries result in permanent partial disability will receive compensation therefor in similar amounts for similar disabilities.

Under present law there are discrepancies in the compensation payable for permanent partial disability because the law recognizes two types of permanent partial disabilities or losses and provides a different basis for computing the compensation payable for each type. Where the disability or loss is a "scheduled" one, i.e. one named in the schedule of losses delineated in section 386-32 like the loss of an arm, leg, or other limb or part of the body, the injured worker is entitled to "a weekly benefit at the rate of sixty-six and two-thirds per cent of the worker's average weekly wages, subject to the limitations on weekly benefit rates prescribed in section 386-31, for the period named in the schedule" for the particular loss. Where the disability is a "non-scheduled" one, i.e. one "in which the permanent partial disability must be rated as a percentage of total loss or impairment of physical or mental function of the whole man the maximum compensation (is) computed on the basis of the corresponding percentage of the product of 312 times the effective maximum weekly benefit rate prescribed in section 386-31."

Thus, an injured employee who loses a thumb is now entitled to permanent partial disability compensation at 66-2/3 per cent of his average weekly wages for the period named in the schedule for such loss, 75 weeks. If his average weekly wages at the time of injury were \$300, the compensation would be \$200 x 75 or \$15,000. If he happened to be a high-wage employee entitled to weekly benefits at the effective maximum rate, the compensation would be \$437 x 75 or \$32,775. Where two employees with different average weekly wages sustain similar non-scheduled disabilities, however, there would be no discrepancy in the receipt of compensation. A low-wage employee who has suffered a 10% of the "whole person" disability would receive exactly what a high-wage employee with the same disability would receive, 31.2 x \$437 or \$13,634.40.

The proposed amendment to the Workers' Compensation Law would provide the same consistent monetary basis for computing compensation for "scheduled" disabilities that is now provided for "non-scheduled" disabilities, i.e. the effective maximum weekly benefit prescribed by section 386-31. Its enactment would assure that all workers whose work injuries result in permanent partial disability would be treated equally and indemnified in similar amounts for similar disabilities.

The proposed amendments also specifies that all compensation for permanent partial disability shall remain at the rate of sixty-six and two-thirds per cent of the injured worker's average weekly wages, subject to the maximum prescribed in section 386-31. The total amount of permanent partial disability compensation will thus be equalized, but the payment of benefits to some employees would be made over longer periods.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 3080, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 950-92 Labor and Public Employment on S.B. No. 3372

The purpose of this bill is to replace the civil service secretary position with an exempt administrator position of the Employees' Retirement System.

The bill provides that the Board of Trustees of the Employees' Retirement System shall elect an administrator to serve under the board and be paid a salary set by the board within the range established for deputy directors.

Your Committee received favorable testimony from the Hawaii Government Employees Association.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 3372, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 951-92 Labor and Public Employment on S.B. No. 2732

The purpose of this bill is to increase the percentage used for calculating the Temporary Disability Insurance weekly benefit amount from 55 to 58 percent of the average weekly wage. The effective date of this measure applies to disabilities occurring after June 30, 1992 to ensure the proper administration of this increase.

Your Committee finds that since the inception of the Temporary Disability Insurance Law, the calculation of the weekly benefit amount has corresponded with the Employment Security Law. With the passage of Act 68, Session Laws of Hawaii 1991, the Employment Security Law's calculation of the weekly benefit amount increased by three percent effective January 1, 1992.

This measure would bring the basis for calculating the weekly benefit amount for Temporary Disability Insurance in line with the basis used by the Employment Security Law.

Your Committee received testimony from the Department of Labor and Industrial Relations, ILWU Local 142, Society for Human Resource Management, the Chamber of Commerce of Hawaii, and the Hawaii League of Savings and Loans.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 2732, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 952-92 Education and Health on S.B. No. 2473

The purpose of this bill is to provide needed services, in a preschool setting, to eight prenatally drug-exposed children age three to five years and their families on the Waianae coast through the establishment of the Keiki No Ka Oi pilot project (project).

Your Committees received supporting testimony from the Hawaii State Teachers Association, the Waianae Coast Coalition for Human Services, the Waianae Adolescent Health Network, the Hawaii State Council on Chemical Dependency and Pregnancy, and other interested individuals. While the Department of Education (DOE) supports the intent of the bill, it recommends that the project be reconsidered during the next biennium budget request, due to the State's anticipated revenue shortfall this session.

Upon consideration, your Committees have amended the bill by:

- (1) Stipulating that the project serve as a training program for University of Hawaii students who are interested in education;
- (2) Requiring that the DOE, the Department of Health, and other appropriate agencies and organizations work collaboratively to:
 - (A) Define their roles and responsibilities with regard to the project; and
 - (B) Coordinate their efforts to establish the project with other existing programs in the State that relate to the services and care of children who have been exposed to drugs prenatally; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committees recognize the efforts of the DOE and other sources to seek funding assistance to support the project, and note the importance of examining and seeking a variety of funding sources, including federal and private funds, to support the project.

Your Committees on Education and Health are in accord with the intent and purpose of S.B. No. 2473, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2473, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 953-92 Education on S.B. No. 2588

The purpose of this bill, as received, is to provide an undetermined sum of state funding to those high schools that will not receive federal funding for vocational education programs under the Carl D. Perkins Vocational and Applied Technology Education Act.

Testimony on this measure was submitted by the Department of Education (DOE) and concerned educators. The DOE stated that given the fiscal austerity of the State, along with its demonstrated capability to provide funding for vocational programs when federal funds are not available, additional appropriations would not be prudent at this time. However, vocational educators stated that program funding is not always assured, therefore making it difficult to plan for equipment and material replacement and for program advancement.

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

- (1) Deleting the substance of section 1 and replacing it with the appropriation section of H.B. 2830, H.D. 1, which stipulates that \$953,908 will be expended for:
 - (a) Implementing the six-year plan for vocational education;
 - (b) Providing equipment and curriculum materials for the vocational education agriculture program;
 - (c) Upgrading supplies and equipment for the vocational education electronics program;
 - (d) Updating equipment and supplies and providing teacher in-service training for the vocational education child care program;
 - (e) Supporting the vocational education food service program; and
 - (f) Assisting the vocational education health occupations program;
- (2) Adding a new appropriation section that provides \$30,000 for fiscal year 1992-1993 for the Vocational Industrial Clubs of America to improve and support vocational education in the State; and

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

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2588, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 954-92 Education on S.B. No. 2707

The purpose of this bill is to:

- (1) Establish school-level minor repair and maintenance accounts, ranging from \$8,000 to \$20,000 per each public school;
- (2) Exempt the Department of Education (DOE) from having to advertise for bids for expenditures less than \$15,000 for school-level minor repair and maintenance projects; and
- (3) Appropriate moneys for fiscal year 1992-1993 to implement the school-level minor repair and maintenance program.

The Department of Accounting and General Services (DAGS) and the Hawaii State Teachers Association testified in support of the bill. Your Committee received testimony from the DOE supporting the intent of the measure; however, due to anticipated state revenue shortfalls this year, the DOE recommended that this measure be reconsidered in the next biennium budget.

Your Committee recognizes the necessity of having available resources to attend to minor repair and maintenance needs of the public schools in a timely, efficient, and coordinated manner. Your Committee also recognizes the importance of differentiating the terms "repair and maintenance", "improvements", and "capital improvement projects" to determine the kinds of projects that may be funded by certain accounts and through certain programs, and requests the DOE and DAGS to work collaboratively to establish standards and define these terms.

Upon consideration, your Committee has amended this bill by:

- (1) Limiting the amount of the school-level repair and maintenance account per school to \$8,000;
- (2) Inserting the appropriation sum of \$1,888,000 for fiscal year 1992-1993 for a school-level minor repair and maintenance account in the sum of \$8,000, which is to be distributed to each of the 236 public schools in the State;
- (3) Creating an additional appropriation section with the sum of \$10,750,000 for fiscal year 1992-1993 to hire additional staff for a third roving repair and maintenance crew for the Honolulu and Leeward school districts;
- (4) Converting the twelve positions of the roving repair and maintenance crew of the Honolulu school district from temporary to permanent civil service status; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2707, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2707, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 955-92 Education on S.B. No. 3004

The purpose of this bill is to appropriate \$50,000, to be expended by the Department of Education (DOE), for the removal of hazardous materials from all public schools in the State.

Supportive testimony was submitted by the DOE, the Hawaii State Teachers Association, and concerned teachers from Oahu and Maui.

It has come to your Committee's attention that the State has never adopted an explicit policy regarding the removal of hazardous and toxic substances from Hawaii's public schools. Over the years, many of Hawaii's schools have accumulated large quantities of pesticides, toxic chemicals, and other hazardous substances that could possibly threaten the health and safety of students, faculty, and the public if released into the environment. Your Committee believes that this measure would address this problem and help to ensure the welfare and safety of the people of Hawaii.

While your Committee is in accord with the intent of this bill, your Committee notes that the Department of Health (DOH), or other appropriate agency with the necessary technical expertise and resources to remove toxic substances from inhabited areas, may be capable of handling the disposal of hazardous substances from Hawaii's public schools. Accordingly, your Committee has amended this bill by:

- (1) Specifying that the appropriation sum be used for the DOH to remove hazardous materials from public schools in the State;
- (2) Stipulating that the DOH, instead of the DOE, expend the funds;
- (3) Establishing a provision whereby contract services may be obtained if after the DOH, in consultation with other appropriate state government agencies, finds that the State does not have the expertise and resource capabilities to safely and efficiently remove the hazardous materials from public schools;
- (4) Changing the appropriation amount from \$50,000 to \$1 for continued discussion; and
- (5) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3004, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3004, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 956-92 Education on S.B. No. 3440

The purpose of this bill, as received by your Committee, is to appropriate \$287,000 for fiscal year 1992-1993 for a water safety and learn-to-swim program to be provided to all public elementary school students.

Your Committee received testimony from the Department of Education (DOE) supporting the intent of this measure, with the recommendation that the water safety and learn-to-swim program be reconsidered during the next biennium budget request instead, due to the State's anticipated revenue shortfall. Supporting testimony was received from the City and County of Honolulu Department of Parks and Recreation, the American Red Cross of Hawaii, Kamaaina Care for Kids, Kapiolani Medical Center for Women and Children, the Kauai Water Safety Task Force, the Injury Prevention Advisory Committee, the Keiki Injury Prevention Coalition, and a concerned individual.

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

- (1) Specifying that the DOE, the Department of Health, the Department of Parks and Recreation of the City and County of Honolulu, and the American Red Cross of Hawaii work collaboratively to develop a water safety and learn-to-swim program to be provided to all public elementary school students;
- (2) Appropriating \$1 for purposes of continued discussion; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3440, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 957-92 Education on S.B. No. 3424

The purpose of this bill is to provide an unspecified sum to the Department of Education (DOE) to establish a special teacher recruitment team to develop and provide necessary services and tools to recruit teachers for rural or remote areas of the State.

Teacher recruitment and retention in rural areas is a long standing problem of the DOE. Your Committee believes that the constant staff turnover in remote schools must be addressed with a comprehensive effort to provide proper information, guidance, and advocacy efforts on behalf of the teaching profession to potential Hawaii and out-of-state recruits.

Testimony in support of the intent of this bill was received by the DOE and the Hawaii State Teachers Association. However, the DOE qualified their testimony by stating that although they support the formation of a recruitment team, they are opposed to addressing this budget request at this time due to the current fiscal austerity of the State.

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

- (1) Inserting the sum of \$1 in the appropriation section for the purposes of facilitating further discussion; and
- (2) Adding a provision to the appropriation that stipulates the recruitment efforts for teachers will be targeted at both local and out-of-state applicants.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3424, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3424, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 958-92 Education on S.B. No. 3024

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for 165 full-time equivalent teacher positions to reduce the student-teacher ratio for third grade in the public schools to twenty students per class. The appropriation amount in the measure, as received by your Committee, was unspecified.

The Hawaii State Teachers Association, the Waimea School PTSA, and two parents testified in support of the bill. Your Committee also received testimony from the Department of Education, recommending that the issue of class size reduction be reconsidered for the next biennium budget if this request cannot be funded during the 1992 legislative session due to the State revenue shortfall.

Smaller class sizes, particularly at the primary grade levels, is found to enhance learning for children, allow teachers to better address student needs, contribute to greater teacher satisfaction, and increase individualized attention from teacher to student. While a reduction in class size will support optimum learning opportunities for Hawaii's public school students, your Committee recognizes concerns regarding the lack of classrooms and other school facility shortages to accommodate smaller class sizes.

Accordingly, your Committee has amended this bill by:

- (1) Inserting the appropriation sum of \$3,711,180 for fiscal year 1992-1993 for 165 full-time equivalent teacher positions to reduce the student-teacher ratio for third grade;
- (2) Creating a proviso whereby each school principal has the flexibility to apply the teacher position to another grade, in cases where the school principal finds the teacher position may be more appropriately applied to another grade because of a third grade classroom shortage, a more immediate need for an additional teacher position in another grade, or any other justifiable circumstance;
- (3) Deleting references in the purpose section that the funds also be used to provide additional teacher positions to reduce the student-teacher ratio for grades seven through ten;
- (4) Clarifying that the student-teacher ratio for third grade refers to twenty students per teacher, and not twenty students per class; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3024, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3024, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 959-92 Education on S.B. No. 3021

The purpose of this bill is to provide funding to increase the salaries of coaches and athletic directors in the public schools. The appropriation amount in the measure, as received by your Committee, was unspecified.

Testimony in support of this measure was submitted by the Athletic Directors and Coaches Association of Hawaii. Although the Department of Education (DOE) supported the intent of the measure, the DOE recommended that the measure be considered in the next biennium budget request because of the State's anticipated revenue shortfall. The Hawaii State Teachers Association (HSTA) had no objection to the measure.

Your Committee has amended the bill by:

- (1) Appropriating \$1 for fiscal year 1992-1993 for the purpose of continued discussion; and
- (2) Inserting a provision requiring the DOE, HSTA, and the Athletic Directors and Coaches Association of Hawaii to work together to determine the amount of increase in compensation for coaches and athletic directors, and the kinds of sports that would qualify coaches for additional compensation.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3021, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3021, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 960-92 Judiciary on S.B. No. 1293

The purpose of this bill is to enable the Criminal Injuries Compensation Commission to set up an account to receive a portion of inmate wages from the Criminal Injuries Compensation Fund for the purpose of making payments to victims.

Section 351-62.5, Hawaii Revised Statutes, currently allows the Department of Public Safety to deduct a portion of inmate wages paid through Correctional Industries for reimbursement to the Criminal Injuries Compensation Fund. However, this section does not allow the Criminal Injuries Compensation Commission to receive these contributions to make payments to victims.

Whenever a crime is committed, this is a loss to an individual victim or to the community as a whole. This bill would require that all inmates who participate in joint venture industries make a meaningful monetary restitution to victims.

Testimony in support of this measure was submitted by the State of Hawaii Department of Public Safety.

This bill has been amended by deleting "all inmates in the State incarcerated for the violent crimes listed in section 351-12" from section 2, and substituting "the qualified able-bodied inmate", and by deleting "less than five per cent nor more than twenty" also from section 2, and substituting "more than forty".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1293, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1293, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 961-92 Judiciary on S.B. No. 3128

The purpose of this bill is to appropriate funds to continue the operation of the Onizuka Space Center at Keahole, Hawaii.

The Center is regularly visited by students during class excursions and this creates a need for a curator experienced in the field of Science to facilitate the educational experience. Presently, the Center is staffed by a Konawaena High School science teacher who is on loan for one year, courtesy of the Department of Education. The funds would be used to continue the full time liaison resource teacher position at the Center.

Testimony in support of this measure was submitted by the Onizuka Memorial Committee for the Astronaut Ellison S. Onizuka Space Center, the University of the Nations Preschool, the Hawaii Preparatory Academy, and concerned citizens.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3128, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 962-92 Judiciary on S.B. No. 2419

The purpose of this bill is to appropriate funds to pay for a Special Deputy Attorney General to represent the Hawaii Civil Rights Commission and staff in a case filed by a former investigator who worked at the Commission.

A Special Deputy is necessary because the Department of the Attorney General, which under ordinary circumstances would represent the Commission, has a potential conflict of interest. This potential conflict arises from the fact that the Department is representing respondent State agencies in several complaints filed with the Commission.

The Commission is entitled to representation by counsel as is other State agencies. If the Department of the Attorney General is unable to represent the Commission, an outside attorney should be hired and compensated for services rendered.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission.

Your Committee has amended this bill by inserting \$100,000, as the sum to be appropriated.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2419, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2419, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 963-92 Judiciary on S.B. No. 1164

The purpose of this bill is to continue the development of the Juvenile Justice Information System (JJIS).

The objective of JJIS is to create a computer system that combines the information on juvenile offenders from agencies such as police, prosecutors, Family Courts, and corrections. JJIS is being developed for two primary purposes:

1. To provide young offenders the treatment required to break the cycle of delinquency; and
2. To better protect the community from some juvenile offenders.

Testimony in support of this bill was received from the State Attorney General, the Juvenile Justice Information Committee, the Judiciary, the County of Hawaii Police Department and Prosecuting Attorney, the County of Maui Police Department and Prosecuting Attorney, and the County of Kauai Police Department and Prosecuting Attorney.

The bill was amended by inserting the amount of \$1,960,964 for fiscal year 1992-1993.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1164, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1164, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 964-92 Judiciary on S.B. No. 805

The purpose of this bill is to authorize the State Ethics Commission (Commission) to set the salary of its executive director.

The passage of this measure would return the authority of setting the salary of the executive director to the Commission as originally established in 1968 and eliminate the anomaly of being the only executive director of a commission whose salary is set by statute. Its passage would also encourage more impartiality in the process of setting the salary, allow for staff salary increases, and reduce employment turnover.

Testimony in support of this measure was submitted by the State Ethics Commission and Common Cause Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 805 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 965-92 Judiciary; Intergovernmental Relations and International Affairs; and Transportation on S.B. No. 2824

The purpose of this bill is to provide reimbursement to the counties for the cost of motor vehicle plates issued to the State.

Testimony in favor of this measure was received from the Honolulu Department of Finance.

Your Committees have amended this bill by adding language which would require the State to pay the counties sums equivalent to the costs of the purchase of the plates plus any associated administrative costs.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs and Transportation are in accord with the intent and purpose of S.B. No. 2824, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2824, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 966-92 Judiciary and Intergovernmental Relations and International Affairs on S.B. No. 3116

The purpose of this bill is to commission the development of a comprehensive procurement code by the joint efforts of the Office of the Auditor and the Legislative Reference Bureau, and to effect certain amendments to the State's existing public bidding, public contracts and public concession laws for use during the interim while the new code is being developed.

Testimony in support of this measure was received from the Construction Industry Legislative Organization, Inc. Testimony expressing reservations of this bill was received from the Department of the Attorney General and the Department of Accounting and General Services (DAGS).

Preparing procurement legislation that will have a significant impact on how the State expends public moneys should be accomplished with prudence and forethought. Currently, DAGS is completing the task of preparing a more comprehensive legislation proposal for submission during the 1993 legislative session. For this purpose, DAGS has requested supplemental funding to hire a consultant firm to assist it in addressing all the Lallatin & Associates Report recommendations and prepare legislation for the most advantageous procurement system for the State.

Your Committees have amended this measure by:

- (1) Deleting sections 2, 5 and 8:
- (2) Deleting "sole source procurement" from section 1, line 5, and adding in its place "competitive sealed proposals";
- (3) Restoring language in section 103-28 requiring that all bids shall be accompanied by a deposit;

- (4) Inserting language stating "treasurer's checks" may accompany bid submittals;
- (5) Deleting lines 12-14 of section 12;
- (6) Adding appropriate Ramseyer language; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 3116, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3116, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 967-92 Consumer Protection and Commerce and Judiciary on S.B. No. 3288

The purpose of this bill is to modernize escrow practices and strengthen the regulation of the escrow industry in Hawaii. The bill also increases administrative penalties and requires escrow companies to seek the approval of regulators when there is a change in control or sale of the escrow company.

The Department of Commerce and Consumer Affairs, Title Guaranty Escrow services, Inc., and the Escrow Association of Hawaii testified in favor of the bill.

Your Committees find that amendments to the measure are required in the following areas:

- (1) Criminal misdemeanor provisions have been deleted, and administrative penalties may be assessed. This allows the fines to be set at a higher rate than under the penal code;
- (2) Licensing and renewal fees have been raised to reflect contemporary economics; and
- (3) Preserving the capital requirements of §449-5.5, Hawaii Revised Statutes of \$50,000. Your Committee finds that the amended requirement of \$50,000 is unreasonable high. Nor will there be an increase in the capital requirement of grandfathered companies.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 3288, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3288, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 968-92 Consumer Protection and Commerce on S.B. No. 2702

The purpose of this bill is to enact housekeeping amendments to the Uniform Securities Act (modified).

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

The bill amends the Uniform Securities Act by changing gender specific references to gender neutral references, and by deleting a reference to a repealed provision in the Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2702 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. 969-92 Health on S.B. No. 3297

The purpose of this bill, as received by your committee, is to change the definition of "restaurant" from a retail eating establishment authorized by the department of health to operate as a restaurant to an eating establishment where meals or food are served for on-site consumption by seated patrons. Currently, the definition in the law does not cover places which prepare food off site for patrons, and cruise ships, and the bill widens the definition of restaurant to include these places.

Representatives from the Department of Health, the American Lung Association of Hawaii, the American Cancer Society-Hawaii Pacific Division, and the Hawaii Food and Beverage Association testified on behalf of the bill. All of the testimony received was in support of the measure.

The representative from the Department of Health reported that technically the department authorizes food service establishments under chapter 1-A of the Sanitation Code, and restaurants are a sub-category of the larger class of food establishments. However this is a loose definition and makes the existing statute inconsistent and difficult to enforce. The department felt that the amendment would make the law more clearly applicable to restaurants.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3297, S.D. 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. 970-92 Health on S.B. No. 2453

The purpose of this bill is to allow pharmacists in the State of Hawaii to fill or refill written or orally-ordered out-of-state drug prescriptions on a one-time basis, provided, inter alia, that:

- (1) The drugs prescribed are not controlled substances or habit forming drugs; and
- (2) Not more than a sixty-day supply of the prescribed drugs is dispensed.

The bill also sets forth specific procedures with regard to the filling and refilling out of out-of-state prescriptions.

Supportive testimony was submitted by the Department of Health (Department), the Hawaii Medical Association, and the Hawaii Pharmaceutical Association.

The Department addressed its own concerns regarding the potential for abuse by:

- (1) Stating that most individuals would not abuse the proposed law;
- (2) Recognizing that the proposed law would greatly benefit the State's large visitor population; and
- (3) Recommending, along with the Hawaii Pharmaceutical Association, that the bill be limited to the dispensing of a 30 rather than 60-day supply.

It is your Committee's understanding that because current statutes prohibit the filling or refilling of either written or orally-ordered out-of-state prescriptions, local pharmacists have been unable to provide services to tourists who have run out, lost, or forgotten their medication. This poses a particularly critical situation for tourists with chronic conditions such as high blood pressure or diabetes.

Upon careful consideration, your Committee has amended this bill by limiting the amount of drugs that may be dispensed on an out-of-state prescription to a thirty-day supply. This limitation reduces the potential for abuse and conforms with the bill's rationale, i.e., to meet the legitimate, short-term needs of Hawaii's tourists for validly prescribed medicine.

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

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2453, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2453, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 971-92 Health on S.B. No. 2964

The purpose of this bill is to provide initial funding for efforts to establish support and assistance to families, professionals, and persons with autism via the creation of a resource and technical assistance project.

Your Committee notes that current services available in Hawaii for persons with autism and their families lack coordination and resources for appropriate intervention. Research clearly shows that with early detection and intervention, almost all autistic individuals can be mainstreamed into society thereby reducing the need for costly institutionalization.

Your Committee has amended the bill as follows:

- (1) An amount of \$200,000 has been appropriated to the University of Hawaii for purpose of project implementation.
- (2) An Advisory Committee is to be established within the University of Hawaii's University Affiliate Program, to assure appropriate coordination of activities and provide support and direction to the project.
- (3) An additional responsibility of the project will be to provide the state Legislature with information on the project's progress and achievements.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2964, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2964, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 972-92 Health on S.B. No. 2712

The purpose of this bill is to:

- (1) Authorize the Department of Health (Department) to establish charges and collect fees for any diagnostic, medical, or treatment services related to tuberculosis treatment or control;
- (2) Clarify ambiguities in the present law relating to reimbursement of tuberculosis treatment costs; and
- (3) Conform the present law to currently accepted practices for the control and treatment of tuberculosis.

Supportive testimony was submitted by the Department and the Hawaii Medical Association.

Your Committee understands that tuberculosis is now a curable and preventable disease. While tuberculosis patients were generally hospitalized in the past, currently accepted medical practice allows persons undergoing treatment, who are non-infectious, to work, attend school, and engage in all normal activities. This bill conforms statutory sections relating to the Department's tuberculosis program, to currently accepted medical practice. For example, references relating to rehabilitation, now considered obsolete, are deleted by the bill.

Additionally, the bill closes a loophole which has been interpreted as allowing certain third-party payors to refuse to reimburse the Department for costs incurred by the payors' subscribers. In this regard, the bill, *inter alia*, allows the assignment of medical insurance payments.

The Department has assured your Committee that its tuberculosis program will remain the focal point of the State's tuberculosis control effort. Your Committee also understands that the Department remains committed to providing treatment for all persons with tuberculosis regardless of the person's ability to pay.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2712 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. 973-92 Health on S.B. No. 2947

The purpose of this bill, as reported to your Committee, is to establish the first stage of a comprehensive statewide quality assurance system for persons with developmental disabilities by establishing a quality assurance committee within the State Planning Council on Developmental Disabilities.

The bill attempts to answer the need for an independent system for quality assurance that is free from conflicts of interest in program operations and answers ongoing needs that have been identified in studies. It attempts to create a system which will include:

- (1) Independent, outcome-oriented quality reviews;
- (2) Coordination and streamlining of quality assurance activities;
- (3) Assistance for program improvement and enhancement, including training and technical assistance;
- (4) Establishment and implementation of a complaint process;
- (5) Development and implementation of consumer/citizen/family (CCF) monitoring teams;
- (6) Capability to provide incentives and rewards for innovative services and supports;
- (7) Clearinghouse of information, including training, resources, and providers;
- (8) Automated data collection and management system; and
- (9) Coverage of all persons with developmental disabilities served by other departments, programs, or systems.

Your Committee received testimony on the bill from representatives of the State Department of Health, the State Planning Council on Developmental Disabilities, the State Commission on Persons With Disabilities, the Hawaii Public Health Association, the Kapiolani Medical Center for Women and Children, the University of Hawaii Affiliated Program for Developmental Disabilities, the Lanakila Rehabilitation Center, the Special Education Center of Hawaii, and the Protection and Advocacy Agency of Hawaii.

All who testified supported the intent of the bill. The State Department of Health, however, did not agree with the funding provisions for the Committee in light of the relatively bleak budget picture. The department requested that the bill be passed out as an authorization to begin this program, rather than a mandate to do so, with funding postponed until better economic times.

The Committee concurred with this proposal: therefore the bill was amended accordingly. On page 2, line 17, the word "shall" was changed to "may" with the intent that this program could be begun when funds became available. On page 8, line 11, the appropriation of \$77,752 was changed to \$1.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2947, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2947, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 974-92 Higher Education and the Arts on S.B. No. 2752

The purpose of this bill is to repeal the ten per cent ceiling on the amount of student activity funds that may be expended for flowers, leis, food, refreshments and prizes. It would allow the board of regents to set a ceiling through the adoption of rules rather than by State statute.

Your Committee finds that the current ten per cent restriction on student associations has made it difficult for these associations to support activities such as graduation ceremonies, student orientation, and other social events. Taking into consideration the small balances available in certain accounts, the restriction places an unreasonable limit on the amount that can be expended. However, this bill states that the amount be determined by rules adopted by the Board of Regents. This would mandate the University to comply with the formal rule making process under Chapter 91, Administrative Procedure, Hawaii Revised Statutes. Matters dealing with the expenditure of student activity fees are considered internal management and should not be subject to rule making.

Your Committee feels that the request to grant the desired flexibility to the Board of Regents could be best achieved by striking the word "rules" and substituting the word "policies" in line 7, page 2 of the bill. The change would provide student associations with greater flexibility, under appropriate Board of Regents oversight, in the use of student activity funds and permit them to fund programs to benefit their respective groups.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 2752, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2752, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 975-92 Higher Education and the Arts on S.B. No. 3237

The purpose of this bill is to change the date after which the Legislature is to set the salary of the President of the University of Hawaii. Currently, the date after which the Legislature is to set the President's salary is July 1, 1996. This bill replaces that date with a blank space.

Prior to 1991, the salary of the President was set by the Legislature and fixed in statute. Last session, the Legislature delegated the authority to set the Presidents' salary to the Board of Regents, and provided for a "sunset" review in 1996.

The University has initiated a search for a new President and expressed concern that applicants may be reluctant to consider the position if the salary will be set by the Legislature beginning July 1, 1996.

Your Committee has amended the bill by setting the date at July 1, 1998.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 3237, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3237, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 976-92 Higher Education and the Arts on S.B. No. 3427

The purpose of this bill is to appropriate funds to establish a community-based education program and mentoring pilot project for early childhood education workers.

The bill has been amended to include an advisory committee which would consist of child care center directors, teachers, entry level workers, and parents. This committee would ensure that the program responds to the needs of all parties involved with early childhood education.

Your Committee notes that the lack of qualified child care providers is a critical issue which needs to be addressed both locally and nationally. Funds to establish both the education program and the mentoring project have been included in this draft of the bill. It is the Committee's desire to stress, however, that in the current lean financial picture of the State's economy, it is hoped that other innovative methods of funding will be explored to finance both projects.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 3427, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3427, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 977-92 Higher Education and the Arts on S.B. No. 3084

The purpose of this bill, as received by your Committee, is to create a temporary State History Center Advisory Council which would study the proposed establishment of such a center.

The bill has been amended by:

- (1) Reinserting the bulk of the contents of House Bill 2754, House Draft 1, which establishes a State History Center;
- (2) Adding a section which requires the Department of Accounting and General Services (DAGS) to submit a report to the 1993 Regular Session of the Legislature dealing with the functions, duties, and mission of such a center, as well as funding resources;
- (3) Adding a section requiring DAGS to conduct studies in order to facilitate the preparation of such a report; and
- (4) Appropriating \$300,000 to establish the center and fund the studies and report.

Testimony in support of this bill was given by the State Foundation on Culture and the Arts, the Hawaii State AFL-CIO, the Hawaii Chapter of the American Planning Association, as well as by many private individuals.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of S.B. No. 3084, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3084, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 978-92 Housing and Intergovernmental Relations and International Affairs on S.B. No. 2283

The purpose of this bill is to amend Act 15, Session Laws of Hawaii 1988, by:

- (1) Requiring the counties to accept the dedication of streets, vehicular rights of way, and other public facilities or easements, subject to certain indemnification provisions;
- (2) Clarifying that State and County standards which are in force when the project is developed shall be the applicable standards; and
- (3) Clarifying that the final plans and specifications for a project developed shall be deemed to be in conformance with the general plan and development or community plan and shall constitute the zoning, building, construction, and subdivision standards of the County for the project.

Testimony was submitted by the Housing Finance and Development Corporation, Board of Water Supply, City and County of Honolulu Department of Public Works, City and County of Honolulu Department of Land Utilization and Kauai County Housing Agency.

Your Committees have amended this bill by:

- (1) Deleting the assumption that the Housing Finance and Development Corporation's final plans and specifications for a project are deemed to be in conformance with the general plan and development or community plan, and the zoning, building, construction, and subdivision standards of the County for the project;
- (2) Requiring that the State shall indemnify the County and correct construction defects for 30 years from the date of dedication under certain conditions;
- (3) Clarifying that the date of dedication shall be effective upon the filing with the County any deeds or documents for the conveyance of property interests;
- (4) Making technical, non-substantive amendments for the purposes of clarity and style.

Your Committees on Housing and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2283, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2283, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 979-92 Housing and Intergovernmental Relations and International Affairs on S.B. No. 2826

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to exempt County-owned projects from the shared appreciation requirements of Section 201E-134, Hawaii Revised Statutes. The HFDC may grant the exemption when:

- (1) The County realizes appreciation in value upon the refinancing or prepayment of an eligible project loan on a project with units benefiting from rental assistance; and
- (2) The appreciation in value realized by the County is used for affordable housing purposes.

The HFDC, the Department of Housing and Community Development of the City and County of Honolulu, and the Housing Agency of the County of Kauai submitted testimony in support of this measure.

According to this testimony, the intent of the bill is to enable the future development of County-owned affordable housing projects by allowing the Counties to realize the full return on their equity investments. The Counties, while strongly supporting the bill, raised concerns with language which appears to allow the HFDC discretion in granting or denying exemptions.

Your Committees recognize that while the affordability and availability of housing are critical issues affecting a cross-section of the population of our State, the ability of very low-, low-, and moderate-income families to obtain safe, decent, and affordable housing is a priority that needs to be addressed.

Additionally, the bill should address the need for affordable housing preservation as well as production.

After careful consideration, your Committees have amended the bill by:

- (1) Specifying that the shared appreciation exemption may not be granted unless, inter alia, the applicable return realized by the County is used for housing projects wherein:
 - (A) At least sixty per cent of the project is affordable to families earning one hundred per cent or below of the applicable area median income; and
 - (B) At least half of the foregoing sixty per cent is affordable to families earning eighty per cent or below of the applicable area median income;
- (2) Requiring, for purposes of the exemption, that the project from which the applicable return is realized, remains as affordable as it was prior to the refinancing or prepayment of the eligible project loan;
- (3) Requiring the corporation to grant the exemption if all of the foregoing requirements are met; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Housing and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2826, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2826, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 980-92 Housing on S.B. No. 769

The purpose of this bill is to establish a "Bill of Rights" for persons seeking or dependent upon public housing, and to establish a simple, informal procedure to facilitate the settlement of grievances between tenants and public housing officials that shall, inter alia, include the opportunity for mediation.

Testimony in support of this measure was submitted by the Legal Aid Society of Hawaii, the Kalakaua Midrise Tenant Association, and other private citizens. The Neighborhood Justice Center also submitted testimony.

Your Committee has amended this bill by requiring that a written copy of application procedures and policies as well as a notice of rights be provided only to approved public housing applicants.

In addition, the requirement that an applicant approved for public housing shall not be rejected as a tenant unless subject to eviction proceedings, has been deleted from the bill. This provision was deleted to avoid violating federal regulations which prohibit placing unqualified residents in public housing. Although an applicant may be qualified for public housing at the time of application, the applicant may not be qualified at the time of placement.

Finally, the bill has been amended by deleting the 28-day notice requirement pertaining to a units' availability and the provisions pertaining thereto. This amendment is necessary in order to avoid conflict with federal regulations which require the State to "turn over" the units as quickly as possible, to allow the Hawaii Housing Authority (HHA) the opportunity to adequately clean, inspect, paint, and repair the unit prior to occupancy, and to avoid a decrease in the amount of rental income collected by the HHA.

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

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 769, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Peters and Tom.

SCRep. 981-92 Housing on S.B. No. 2917

The purpose of this bill is to increase the tax credit for renters from \$50 to \$85.

Testimony was submitted by the Department of Taxation, the Tax Foundation of Hawaii, the Waikiki Residents Association, the National Association of Retired Federal Employees and the Honolulu Community Action Program, Inc.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2917 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. 982-92 Housing on S.B. No. 2868

The purpose of this bill is to establish a rental housing trust fund under the Housing Finance and Development Corporation to provide loans or grants to housing developers for the construction of rental housing units for low-income households. This bill proposes to capitalize the fund through a general fund appropriation of \$5,000,000 and revenues collected under the State conveyance tax.

While the concept of a rental housing trust fund is created in this bill, many hours of discussion and research have shown that a different approach will produce affordable rental units in a more expeditious manner while keeping the units affordable for a longer period of time. A rental housing trust fund that is managed by an independent citizen commission, defines project approval criteria, funded at a high level, and funded by the broad tax base of the general fund has proven to be successful in other states.

Your Committee finds that creating an independent commission of seventeen members which will have the authority to expend trust fund moneys will enable the fund to respond to community concerns and needs along with expediting the approval process. It is important to have public members, such as, non-profit developers, tenant advocates, construction union members, real estate brokers and low income tenants who represent areas that will utilize the fund, with the logic being that those who use the fund will be best able to decide the priorities of distributing the fund. In order to ensure neighbor island input, the director of housing for each County shall serve as a voting member of the commission.

Any project built utilizing the trust fund shall make at least half of the available units for persons and families with incomes at or below 60% of the median family income, based on the median income for the area that the project is built. Because affordable units are in demand even for moderate income people, the remaining units of a trust fund project are for persons and families with incomes at or below 100% of the median income of the area. This will also aid in keeping a healthy economic mix of residents in any one project.

In addition, the bill defines what activities shall be eligible for assistance from the fund, and what types of units should be considered. Your Committee finds that it is important to move away from the traditional thought of single-family homes and build units that require the least amount of subsidy.

The commission shall have the authority to accept or deny applications based on how it rates each project's ability to serve the target population, for what length of time and the type of unit to be built. The bill recommends that the commission establish a point system for ranking each application on a case-by-case basis. This point system shall ensure that only projects that meet the standards set forth in this bill, and in the administrative rules created to support the intent of this legislation will be built with trust fund moneys.

Your Committee finds that not-for-profit organizations have had difficulty competing in the development of affordable housing due to the large amounts of capital needed for a project. The intent of this bill is to ensure that not-for-profit organizations will be able to compete in the affordable housing market based on the merits of the projects they propose, not on the amount of capital they possess. With this in mind, the commission is directed in its point ranking system to accept the not-for-profit project rather than a for-profit project if the projects rank equally based on the criteria set forth in the bill.

Previous programs designed to encourage housing development have failed to meet demand, in part because of excessive regulatory and paperwork requirements imposed on applicants. The commission is encouraged to develop rules to ensure that the processing of applications for funding can be carried out in the simplest and most expeditious manner consistent with its obligation to protect the interests of the fund.

It is your Committee's strong belief that the rental housing trust fund should serve the entire State. An innovative system has been created to ensure that organizations in each County shall be able to access trust fund moneys. Each fiscal year, the commission shall set-aside 75% of the trust fund money, apportion this amount to each County based on its percentage of the State's population. This money shall not be actually appropriated to the Counties, but reserved for applications that meet the appropriate criteria that come from organizations in the Counties. The remaining 25% of the trust fund will be considered "at-large" funds that any County may tap into if it exceeds the amount allotted to it. This will keep organizations from being limited by the amount of money allotted to its County, rather to plan projects that will best suit the community it serves.

To ensure the greatest utilization and potential for Hawaii's rental housing trust fund, the bill has been amended by replacing the contents of House Bill 2502 HD1. To further fulfill this potential, the bill is also amended with the following:

- (1) Changing the funding mechanism to not less than \$20,000,000 but not more than \$100,000,000 annual appropriation from the general funds, to begin July 1, 1993;
- (2) Placing the fund within the Hawaii Housing Authority, which has a long history of dealing with rental units, with all previously applicable responsibilities given to the corporation.

Testimony in support of SB 2668 SD2 was received from the Housing Finance and Development Corporation, the Building Industry Association of Hawaii, and a private citizen. Testimony in support of a trust fund, but supporting the House Bill version language was received from the American Association of Retired Persons, Catholic Charities, Hawaii Developers Council, Hawaii Association of Realtors, and Neighborhood Works. Testimony in support of the bill with recommendations was received from the Department of Taxation.

In addition, other technical, nonsubstantive amendments have been made for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2868, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2868, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 983-92 Housing on S.B. No. 2859

The purpose of this bill is to enable institutions that participate in the development of the low-income rental housing projects to utilize low-income housing tax credits provided pursuant to Section 235-110.8, Hawaii Revised Statutes.

Testimony was submitted by the Housing Finance and Development Corporation, the Department of Taxation, the Tax Foundation of Hawaii and concerned citizens.

Upon further consideration, your Committee has amended this bill by clarifying that the low-income housing tax credit provided under section 235-110.8 shall be operative for this chapter.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2859, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 984-92 Housing on S.B. No. 2869

The purpose of this bill is to create a general excise tax exemption for qualified persons or firms involved in the planning, design, financing, construction, or sale of housing units meeting the affordability requirements of the State Land Use Commission or a County land use decision-making body. The exemption applies, inter alia, to:

- (1) Housing projects wherein actual construction has started between July 1, 1992, and December 31, 1993, and is completed by December 31, 1994; and
- (2) The first 10,000 housing units constructed during the foregoing time frame.

Testimony was submitted by the Housing Finance and Development Corporation, the Tax Foundation of Hawaii, the Hawaii Association of Realtors, the Land Use Research Foundation (LURF), and the Hawaii Developers' Council.

LURF indicated that the proposed exemption is a component of a package of needed incentives for the development of affordable housing. Additionally, the proposed exemption may be important to the viability of certain affordable housing projects which are presently underway.

Your Committee recognizes that private developer involvement is key in addressing the serious and growing need for affordable housing in this State. As a matter of policy, your Committee supports the concept of providing incentives to encourage such involvement.

Your Committee has amended this bill by requiring the Department of Taxation, with the cooperation of the Housing Finance and Development Corporation, to:

- (1) Assess the effectiveness of the exemption in encouraging the production of affordable housing units; and
- (2) Submit a report of findings and recommendations, and proposed legislation, if any, to the Seventeenth Legislature of 1993.

The foregoing reporting requirement addresses the question of whether the proposed exemption will be enough of a "carrot" to entice developers to enter the affordable housing arena.

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

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2869, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2869, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 985-92 Housing on S.B. No. 3247

The purpose of this bill is to appropriate \$150,000.00, to cover the administrative costs, and \$2,000,000.00, for the design and construction of site improvements and infrastructure for a self-help affordable housing subdivision in Hana on lands donated by the Hana Ranch.

Your Committee finds that the Hana Affordable Housing and Community Development Corporation is a nonprofit corporation, specifically developed for building of affordable housing and recognized their diligent efforts to provide affordable housing in Hana. This bill is consistent with the State's policy of developing affordable housing for the people of Hawaii.

Testimony in support was submitted by concerned citizens.

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

- (1) Deleting any reference to the Hana Affordable Housing and Community Development Corporation, in order to provide the opportunity for any non-profit corporations to develop affordable housing; and
- (2) Making technical, non-substantive revision for the purpose of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 3247, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3247, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 986-92 Housing on S.B. No. 2861

The purpose of the measure is to require a purchaser of a residential houselot within the development tract to be domiciled in the State of Hawaii and be an owner occupant of the residential structure on the leased land.

The intent of this bill is to prevent abuses of the Land Reform Act by replacing the current requirement that a potential purchaser be a resident or have a bona fide intent to reside in Hawaii with the requirement that the purchaser be domiciled in Hawaii and actually occupy the property.

Testimony was submitted by the Housing Finance and Development Corporation, the American Financial Services of Hawaii, Inc., Reinwald O'Connor Marrack Hoskins and Playdon, Kamehameha Schools/Bernice Pauahi Bishop and concerned citizens.

Upon further consideration, your Committee has amended this bill by deleting the substance, and inserting therefor, the substance of H.B. No. 3099. Your Committee note that H.B. 3099, passed out of the House of Representatives earlier this session after a public hearing before the House Committee on Housing. Your Committee also note that although there are substantive differences between H.B. No. 3099, and S.B. No. 2861, S.D. 1, considerable similarities exist, including the underlying intent, and several sections which are substantively the same.

The purpose of this bill is to tighten lessee qualification requirements.

Your Committee finds that H.B. No. 3099 clarifies instances in which individuals have circumvented lessee qualification requirements, thus violating the spirit and intent of the Land Reform Act by:

- (1) Requiring that a qualified resident be a bona fide resident of the State or have a bona fide intent to reside in the development tract if successful in purchasing a lot is being replaced with a more restrictive owner occupancy requirement; and
- (2) Inserting a definition for "fee simple lands" to clarify that the purposes of the land reform program, a lessee would be considered to own fee simple lands if simple lands are held in trust or other fiduciary arrangement whereby the lessee retains the right to control or manage the trust or its assets.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2861, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2861, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 987-92 Housing on S.B. No. 2890

The purpose of this administration bill is to adopt the various housekeeping changes to the housing projects law as recommended in a study of the State Rent Supplement Program.

Testimony in support was submitted by the Hawaii Housing Authority.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2890, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

SCRep. 988-92 Judiciary and Intergovernmental Relations and International Affairs on S.B. No. 3131

The purpose of this bill is to appropriate funds, for fiscal year 1992-1993, for the County of Maui to establish an 800 megahertz emergency communications system on the Island of Maui. Such appropriation is subject to matching funds from the County of Maui.

It is essential, for both the Police Department and the public, that the police operate with an up to date communication system. The Police Department needs an adequate number of radio channels and proper equipment to communicate with dispatchers and with each other.

Testimony in support of this bill was received from the Honolulu Police Department.

The bill was amended to insert the amount of \$1 for fiscal year 1992-1993. The matching amount for the County of Maui was also changed to \$1 for consistency.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 3131, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3131, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 989-92 Judiciary and Intergovernmental Relations and International Affairs on S.B. No. 2997

The purpose of this bill is to appropriate an unspecified amount to plan and design the implementation of the Kahuku Flood Relief Master Plan (Master Plan).

The Master Plan represents efforts made by the Kahuku community to resolve flooding problems in the Kahuku area and reduce widespread property damage, as well as public health and safety concerns.

Testimony in support of this measure was submitted by the Department of Education.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2997, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 990-92 Judiciary on S.B. No. 2288

The purpose of this bill is to appropriate funds to test the blood and saliva of certain convicted offenders mandated by Act 231, Session Laws of Hawaii 1991.

Act 231, Session Laws of Hawaii 1991, enacted the statutory change necessary to permit blood and saliva samples to be obtained from convicted violent and sex offenders. However, because the new laboratory that will perform these tests will not be operational until this summer, the Legislature withheld the funding necessary to perform these tests. Inasmuch as Act 231 not only permits the samples to be obtained but, in fact mandates it, it is necessary to appropriate funds to perform, at a minimum, the required tests on the approximately 300 individuals who will be required to provide blood and saliva samples beginning July 1, 1992.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Police Department of the City and County of Honolulu.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2288, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 991-92 Tourism and Intergovernmental Relations and International Affairs on S.B. No. 2639

The purpose of this bill is to appropriate an unspecified amount to the Department of Accounting and General Services for design and construction of a recreation/sports complex for Kapolei, Oahu.

Your Committees received testimony in support of this bill from the Department of Business, Economic Development and Tourism, Royal Hawaiian World Sports, Outrigger Hotels, Waikiki/Oahu Visitors Association and the Hawaiian Winter League.

Your Committees find that the proposed sports complex would provide needed recreation facilities for Hawaii residents, and would also make Hawaii more attractive for major sports training and competition. This would provide great economic benefit to Hawaii from the increased number of travelers to Hawaii caused by the number of spectators coming from abroad and by the greater international visibility from media sports coverage.

Your Committees changed the bill by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill; and
- (2) Designating the funds for plans and removing design and construction.

Your Committees believe that funds for design and construction could be appropriated after a suitable site for the complex has been found.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2639, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2639, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 992-92 Tourism and Intergovernmental Relations and International Affairs on S.B. No. 2423 (Majority)

The purpose of this bill is to designate ten percent of the transient accommodations tax (TAT) revenues allocated to each county for visitor promotion in that county, with the concurrence of the boards of directors of each local chapter of the Hawaii Visitors Bureau and the Hawaii Hotel Association.

Your Committees received testimony from the Office of the Mayor, Kauai County; Kauai County Council; Office of the Mayor, Maui County; Office of the Mayor, Hawaii County; Hawaii County Council; Department of Business, Economic Development and Tourism; City and County of Honolulu Department of the Budget; the Hawaii Visitors Bureau; the Hawaii Hotel Association; the Maui Hotel Association; Foley Maehara Judge Nip and Chang; the Tax Foundation of Hawaii; the Chamber of Commerce of Hawaii; and the Poipu Beach Resort Association.

Your Committees find that the neighbor island economies have still not fully recovered from the visitor industry slowdown of 1991 and that the need persists for additional visitor promotion for the counties.

Your Committees changed the bill by:

- (1) Designating 7.5 percent for visitor promotion in each county, rather than 10 percent;
- (2) Requiring that the counties administer the funds for tourism promotion in consultation with the boards of directors of each local chapter of the Hawaii Visitors Bureau and the Hawaii Hotel Association, rather than with their concurrence; and
- (3) Having the act take effect on July 1, 1993, rather than July 1, 1992.

The counties currently spend about 5 percent of their shares of TAT revenues on tourism promotion. The increase of this to 7.5 percent will be offset by the increased neighbor island share of TAT revenues provided for in Senate Bill No. 2421, House Draft 1.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2423, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2423, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Chang, Fukunaga and Okamura did not concur.)

SCRep. 993-92 Tourism and Intergovernmental Relations and International Affairs on S.B. No. 2421

The purpose of this bill is to redistribute transient accommodations tax revenues among the State and the Counties.

Your Committees received testimony from the Department of Taxation; Office of the Mayor, Hawaii County; Hawaii County Council; Office of the Mayor, Kauai County; Kauai County Council; City and County of Honolulu Department of the Budget; the Tax Foundation of Hawaii; the Chamber of Commerce of Hawaii; and the Hawaii Hotel Association.

Your Committees find that the neighbor island economies have still not fully recovered from the visitor industry slowdown of 1991 and that the need persists for additional revenues for the counties.

Your Committees changed the bill by setting the State's portion of the transient accommodations tax at 3 percent.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2421, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2421, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 994-92 Tourism; Ocean and Marine Resources; and Intergovernmental Relations and International Affairs on S.B. No. 3362

The purpose of this bill is to appropriate funds to the City and County of Honolulu to establish a Water Safety and Lifeguard Training Center on the island of Oahu.

Your Committees received testimony in support of this bill from the City and County of Honolulu Department of Parks and Recreation and the Hawaiian Lifeguard Association.

Your Committees find that Hawaii's excellent climate draws large numbers of residents and tourists to its beautiful beaches to engage in ocean sports that involve some measure of risk and result in drownings and injuries. It is in Hawaii's interest to continue to improve its water safety and rescue capability, in order to protect residents and visitors.

Your Committees further find that Hawaii's water safety personnel have established a reputation as leaders in developing innovative rescue and lifeguarding techniques and that a Water Safety and Lifeguard Training Center will provide an organized program through which these techniques may be taught on both a statewide and national basis.

Your Committees changed the bill by:

- (1) Removing any reference to providing funds to establish a center and replacing it with a study to determine the feasibility of establishing a Water Safety and Lifeguard Training Center, and to search statewide and recommend a site for the center;
- (2) Designating the Department of Land and Natural Resources as the expending agency, rather than the City and County of Honolulu; and
- (3) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill.

Your Committees on Tourism and Ocean and Marine Resources and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 3362, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3362, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 995-92 Tourism on S.B. No. 2757

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for establishing a masters rugby tournament to be held annually in Hawaii.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the Hawaii World Invitational Rugby Tournament, Pan Pacific Sports, Hawaii Rugby Football Union, the Hawaii Hotel Association, and Outrigger Hotels.

Your Committee finds that promotion of international rugby competition in Hawaii increases Hawaii's stature as a sports center and encourages people to travel to Hawaii.

Your Committee changed the bill by appropriating \$25,000 for the Royal Hawaiian Masters Rugby Festival and \$25,000 for the Hawaii World Invitational Rugby Tournament hosted by the Hawaii Harlequins Rugby Football Club.

In the hearing, representatives from the organizers of both tournaments and the Department of Business, Economic Development and Tourism stated their agreement to the amended provisions of the bill.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 2757, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 996-92 Tourism on S.B. No. 2882

The purpose of this bill is to amend the Hawaii Revised Statutes to establish a task force to explore all possible means of financing and implementing a Waikiki district master plan.

The bill also appropriates an unspecified amount to the Department of Business, Economic Development and Tourism to provide administrative support, and provides that the term of the task force shall expire after June 30, 1993.

Your Committee received testimony from Rep. Duke Bainum, City and County of Honolulu Councilmember Andy Mirikitani, the Department of Business, Economic Development and Tourism, the School of Travel Industry Management of the University of Hawaii, the Department of Urban and Regional Planning of the University of Hawaii, Waikiki Neighborhood Board No. 9, Queen Emma Foundation, Hawaii Convention Park Council, Waikiki Community Center, Waikiki Improvement Association, the League of Women Voters of Honolulu, People for Preservation of Hawaii's Socio-cultural Resources, Metropolitan Properties, Protect Ala Wai Skyline, CB Commercial Real Estate Group, The Myers Corporation, Waikiki Tenants United, Waikiki Residents Association, the Chamber of Commerce of Hawaii, and the Hawaii Hotel Association.

Your Committee finds that there is no shortage of Waikiki master planning efforts, but that the greater need is for implementation of a Waikiki district master plan. Hawaii's reliance on tourism dictates that the State's major tourism district undergo a much-needed revitalization.

Your Committee changed the bill by:

- (1) Directing the task force to make a selection of the Waikiki district master plan, or if necessary, amend one to suit the needs of the task force, taking into consideration the need for a world-class convention center;
- (2) Directing the task force to develop an overall strategy for implementing and financing the master plan;
- (3) Increasing the number of members of the task force to nineteen;
- (4) Changing "Kapahulu" to "Kalakaua" in the Monsarrat Avenue boundary;
- (5) Designating two members of the task force to be members of the Senate, selected by the President of the Senate;
- (6) Designating two members of the task force to be members of the House of Representatives, selected by the Speaker of the House of Representatives;
- (7) Increasing the seats allotted to residents of the Waikiki district to three and providing that the Governor appoint them from a list of six names, of which three are submitted by the Waikiki Neighborhood Board No. 9 and three by the Waikiki Residents Association;
- (8) Increasing the seats allotted to landowners in the Waikiki district to four and providing that the Governor appoint them from a list of eight names submitted by the Waikiki Improvement Association Landowners Council;
- (9) Providing that the governor shall appoint a member to any seat not filled within forty five days;
- (10) Providing that the task force shall elect its chairperson;
- (11) Removing the Hawaii Convention Park Council from the employee transfer section and allowing the task force to hire other employees and consultants at its discretion; and
- (12) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 2882, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2882, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 997-92 Tourism on S.B. No. 3377

The purpose of this bill is to appropriate \$49,000 to establish and fund a two-year pilot program to develop visitor industry practicums at three high schools in districts that have no such programs.

Your Committee received testimony in support of this bill from the Department of Labor and Industrial Relations, the Tourism Training Council of the Department of Labor and Industrial Relations, the Department of Education, the Chamber of Commerce of Hawaii, the Hawaii Hotel Association, the Maui Hotel Association, and Hilton Hotels.

Your Committee finds that the successful programs at Waipahu and Farrington high schools should be made permanent and that the neighbor islands have a great need for visitor industry training programs such as this.

Your Committee changed the bill by:

- (1) Adding a provision to establish a permanent program within the Department of Education to continue the practicum programs at Farrington and Waipahu high schools;
- (2) Establishing the two-year pilot program at one high school in each of the neighbor island counties;
- (3) Adding criteria for selection of the schools to receive the pilot program; and
- (4) Appropriating \$50,000 to fund the neighbor island pilot program.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 3377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3377, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 998-92 Tourism on S.B. No. 1526

The purpose of this bill is to exempt shared telecommunications services in hotel complexes and telework centers from Public Utilities Commission regulation.

Your Committee received testimony on this bill from the Public Utilities Commission, GTE Hawaiian Tel, Outrigger Hotels, Campbell Estate, the Hawaii Hotel Association, Hawaiian Communications and AT&T.

Your Committee finds that exempting shared telecommunications services in hotel complexes from utilities regulations would enable hotels in Hawaii to improve and maintain their high level of service to visitors to Hawaii, thereby helping to keep Hawaii viable in the competitive international visitor market.

Your Committee amended the bill by:

- (1) Removing "other than a regulated utility" from the public utility exemptions for shared telecommunications systems and telework centers;
- (2) Changing "hotel complex" to "hotel/hotel-condo complex" and further clarifying the definition of "hotel/hotel-condo complex" in terms of the establishment's transient accommodations tax liability and the contiguity of its buildings or property in the public utility exemption for shared telecommunications systems;
- (3) Setting the effective date at March 15, 1993, provided that the Act shall not take effect if the Public Utilities Commission adopts rules regulating shared telecommunications services before that date; and
- (4) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 1526, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1526, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 999-92 Tourism on S.B. No. 2444

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for several educational and media programs by the Visitor Industry Education Council.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the Tourism Training Council of the Department of Labor and Industrial Relations, the Hawaii Visitors Bureau, the Visitor Industry Education Council, the Hawaii Resort Developers Conference, the Maui Hotel Association, the Hawaii Hotel Association, Outrigger Hotels, and Hilton Hotels.

Your Committee finds that the programs funded by this bill would increase awareness of the important benefits of tourism and would continue the work of several successful projects.

Your Committee changed the bill by:

- (1) Clarifying the appropriation for the VIEC; and
- (2) Added a requirement that additional sources provide matching funds.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 2444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2444, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1000-92 Tourism on H.B. No. 2445

The purpose of this bill is to appropriate \$70,000 to the Festival of the Pacific.

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

Your Committee finds that the Festival of the Pacific provides an excellent means of sharing Hawaii's rich cultural heritage with visitors and residents.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 2445, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1001-92 Tourism on S.B. No. 2245

The purpose of this bill is to appropriate \$50,000 to the Office of International Relations to organize and host a Pacific Basin Tourism Conference in Hawaii.

Your Committee received testimony in support of this bill from the Office of International Relations and Outrigger Hotels.

Your Committee finds that the hosting of an international tourism conference in Hawaii would increase Hawaii's stature as a business center and provide opportunities for Hawaii's businesses to share their considerable tourism expertise.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 2245 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1002-92 Judiciary on S.B. No. 2730

The purpose of this bill is to modernize the Department of Land and Natural Resources' response capability, reaffirm its relationship with other fire services and agencies, and strengthen the government's ability to hold accountable those individuals who set fires willfully, maliciously, or negligently.

Wildfires have the distinction of being a leading factor in the deterioration of native habitat. Besides its detrimental effect to our environment, wildland fires can pose a significant threat to public safety as demonstrated by last summer's Molokai fire.

If enacted, this bill would provide for the reorganization of the Department of Land and Natural Resources with respect to the Land Fire Protection Law.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, and the Department of Labor and Industrial Relations.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2730, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 1003-92 Transportation and Consumer Protection and Commerce on S.B. No. 2918

The purpose of this bill is to clarify the definition of "rental motor vehicle" or "vehicle" with regard to the rental vehicle surcharge tax. As received, this bill also adds two new definitions for "large tour vehicle" and "medium tour vehicle".

Your Committees find that under present statutes, all motor vehicles rented or leased for less than six months are subject to a rental motor vehicle surcharge tax. Presently, this law also applies to the rental of commercial vehicles such as trucks, truck-tractors, tractor semi-trailer combinations, truck-trailer combinations, and cargo vans. Many residents utilize these rental vehicles to carry out business activities or to transport personal cargo.

Testimony was received from the State Department of Taxation, Tax Foundation of Hawaii, Hawaii Transportation Association, National Federation of Independent Business, United Truck Rental and Equipment Leasing, Inc., and Enoa Tours.

Your Committees have amended this bill to:

1. Delete references to the tour vehicle surcharge tax;
2. Modify the definition of rental motor vehicle to include vehicles designed to carry seventeen passengers or fewer which are rented for a period of six months or less; and
3. Provide an exemption from the rental motor vehicle surcharge for vans specifically utilized for cargo and hauling.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 2918, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2918, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1004-92 Transportation; Health; and Judiciary on S.B. No. 3044

The purpose of this bill is to establish a uniform system of parking for persons with disabilities, who are limited or impaired in their ability to walk, by amending appropriate sections in Chapter 249 and Chapter 291, Hawaii Revised Statutes (HRS) to conform to the federal guidelines promulgated pursuant to Public Law 100-64. This measure defines the terms necessary to implement the regulations.

Testimony in support of this measure was received from the State Department of Transportation, the City and County of Honolulu Departments of Finance and Transportation Services, the Commission on Persons with Disabilities, the Hawaii Centers for Independent Living and the Kokua Council for Senior Citizens. The testimony noted that the bill as received

by your Committees would make administration of the program difficult by vesting authority for rulemaking and implementation in two entities, the Director of Transportation and the County Director of Finance. Conflicting rules and confusion for persons with disabilities could result.

To further the goal of establishing a uniform system of parking for persons with disabilities throughout the State, your Committees have amended the bill as follows:

- (1) Deleted amendments to Chapter 249, HRS relating to special number plates and placed similar provisions as amendments to Chapter 291, Part III, HRS;
- (2) Changed all references to "disabled person" to "persons with disabilities";
- (3) Amended Chapter 291-56 to require the Director of Transportation to promulgate rules; and
- (4) Made other technical, nonsubstantive amendments for purposes of style, clarity and consistency.

Your Committees on Transportation and Health and Judiciary are in accord with the intent and purpose of S.B. No. 3044, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3044, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1005-92 Transportation and Intergovernmental Relations and International Affairs on S.B. No. 2871

The purpose of this bill is to update and simplify the procedure used by a driver with a suspended or revoked license to show proof of financial responsibility in order for the license to be reissued pursuant to Section 287-36, Hawaii Revised Statutes. This bill provides that the proof of financial responsibility shall be made to the appropriate administrator in the county rather than the State Director of Finance since it is the counties that administer and enforce the provisions of Chapter 287. The proof of responsibility shall be in the form of cash or bond in the amount of \$25,000.

Testimony was submitted in support of the measure by the Director of the State Department of Budget and Finance and the City and County Department of Finance.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2871, S.D. 1, and recommend that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committees.

SCRep. 1006-92 Transportation and Intergovernmental Relations and International Affairs on S.B. No. 2823

The purpose of this bill is to allow the County Director of Finance to accept any county certificate of title as prima facie evidence of ownership for registration or transfer of a vehicle.

Your Committees find that the majority of other states accept their state's title as prima facie evidence that the recorded owner to whom the title certificate was issued has sold the vehicle. Your Committees believe that the adoption of this practice in Hawaii will facilitate the registration of transferred vehicles.

Testimony on this measure was received from the City and County of Honolulu's Department of Finance.

Your Committees have amended this bill by allowing the County Director of Finance to contract with a private enterprise for the registration and issuance of license plates for new vehicles. This amendment would expedite the registration and issuance of license plates for new vehicles.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2823, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2823, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 1007-92 Transportation on S.B. No. 3157

The purpose of this bill is to amend Section 291-5, Hawaii Revised Statutes, to allow blood alcohol tests not performed within three hours as admissible evidence in the prosecution of cases involving driving under the influence of intoxicating liquor. This bill also allows for the admission of other relevant blood alcohol content test results which were not conducted in compliance with rules established by the Department of Health.

In many instances, the police are unable to obtain a breath or blood test within the three-hour time limit established by law. Delays may result when: (1) the defendant is seriously injured or feigns injury and cannot be given the test until after being released from the hospital; (2) the defendant has fled the accident scene and cannot be located immediately; or (3) the defendant refuses to submit to the test until just before the three-hour limit which yields results taken within minutes after the time limit.

Testimony was received by the Department of Transportation, the State Attorney General, the Office of the Public Defender, the Honolulu Police Department, the Office of the Prosecuting Attorney, and Mothers Against Drunk Driving (MADD).

Your Committee has amended this bill by deleting the provision to allow the admission of evidence of blood alcohol content derived from a test not conducted in compliance with the rules adopted pursuant to Section 321-161.

A non-substantive amendment was added for the purpose of clarity.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3157, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3157, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1008-92 Transportation on S.B. No. 576

The purpose of this bill is to amend provisions in the Traffic Code relating to traffic accidents and injuries.

Under the current law, drivers who fail to stop and render aid in traffic accidents that involve personal injury can be fined up to \$1,000 or imprisoned up to ten years, or both, regardless of the degree or severity of the injury.

This bill defines the categories of injuries that occur in traffic accidents, using definitions that are consistent with the existing definitions for injuries described in the Hawaii Penal Code. The bill also establishes grades of offenses in failure to render aid cases based on the severity of the injury involved.

Testimony was received from the Office of the Prosecuting Attorney and the Honolulu Police Department.

Upon further consideration, your Committee has amended this bill by deleting the substantive contents of this bill and by inserting therein the substance of H.B. 3327 H.D. 2.

These amendments delete references to Section 286-124 regarding the revocation of a driver's license or permit. Currently, this revocation applies only when a person is convicted of the underlying traffic offense and is contingent on a manslaughter conviction resulting thereof. Your Committee finds that failure to stop and remain at the scene of an accident involving substantial bodily injury should be sufficient cause for the revocation of driving privileges. Your Committee also amended Section 291C-14 to include the new provisions and changes for the purpose of consistency.

Your Committee has also added various non-substantive amendments.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 576, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 576, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1009-92 Transportation on S.B. No. 2749

The purpose of this bill is to enlarge the area designated as pilotage waters off Barbers Point to increase safety for ships entering the harbor.

Your Committee on Transportation finds that the present area of pilotage waters at Barbers Point is inadequate for ships to anchor while awaiting entry to either the offshore moorings or the harbor. The enlargement of the pilotage area will enhance safety for vessels and reduce the possibility of an oil spill due to vessel grounding.

Your Committee received testimony from the Department of Transportation and the Hawaii Pilots Association.

Your Committee has amended this bill by modifying the description of pilotage waters for Honolulu to reflect the obliteration of Ahua Point by the construction of the airport reef runway.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2749, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1010-92 Health on S.B. No. 3209

The purpose of this bill is to appropriate supplemental State matching funds to assure continuation of the Maluhia project on the islands of Oahu and Hawaii, and to expand coverage to the island of Maui for the period from July, 1992, to September, 1993.

Representatives from the following organizations submitted testimony in support of this bill: the Department of Health, Hawaii Association for Home Care, National Association of Retired Federal Employees in Hawaii, Maluhia Long-term

Care Health Center, Executive Office on Aging, Hilo Hospital, Waianae Coast Comprehensive Health Center, Abbey Home Helathcare, and Medical Personnel Pool, Inc. An extensive amount of testimony was received from Maluhia clients, their doctors, and their families, expressing support for further funding of the Maluhia project.

Your Committee finds that the Maluhia project is an effective alternative for extended care as its multidisciplinary approach has demonstrated cost effectiveness in avoiding the expense of hospitalization and extended stays in long term care facilities.

Your Committee has amended the bill by replacing the appropriation amount on page 2, line 8, with \$1.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3209, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3209, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1011-92 Health on S.B. No. 2896

The purpose of this bill, as received by your Committee, is to legalize the urine substance abuse testing of inmates under the custody or care of the Department Public Safety. The bill amends the definition of "substance abuse test" to clarify that urinalysis testing of individuals under the custody or care of any State agency by or at the expense of any State agency are excluded from the requirements of chapter 329B, Hawaii Revised Statutes.

Testimony was received from representatives of the Department of Public Safety (PSD) and the American Civil Liberties Union (ACLU). The PSD's testimony emphasized three primary points:

- (1) "Chapter 329B was not intended to pertain to in-facility testing of inmates for disciplinary purposes."
- (2) "The Department of Public Safety and the Hawaii Paroling Authority conduct a substantial number of tests using in-house equipment operated by trained staff."
- (3) "Urinalysis testing of offenders has proven to be an effective means to detect illicit use of drugs, determine treatment needs, and discipline offenders for using drugs...The cost of complying with this [current] act will be prohibitive because of laboratory fees and cost of confirmation."

The three primary concerns voiced by the ACLU regarded the reliability of the testing method used by the PSD (the Enzyme Multiplied Immunoassay Technique, EMIT), the possibility of severe consequences, including the loss of personal freedoms, if test results were false positives, and the need for objectivity in the handling of samples. According to the ACLU's testimony:

- (1) "These [EMIT] tests are probably the least reliable of initial screening tests...claims of 95% to 97% accuracy for the EMIT test are claims made by the test's manufacturer. ACLU knows of no independent studies performed to ascertain the overall reliability of the EMIT test."
- (2) "...an inmate may be subjected, on the basis of a false positive drug test, to administrative segregation, loss of privileges, adverse classification, ineligibility for supervised release, and, most tragic, a longer period of incarceration, due to denial of probation."
- (3) "While the Department may have its own 'chain of custody' procedures for the handling of samples, ACLU feels the risk and likelihood of samples being adulterated by ACO's [Adult Correction Officers] or others within the facilities is unacceptable."

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

- (1) Requiring that in all instances where inmates under PSD custody are subjected to blood or urinalysis substance abuse testing that may result in sanctions or punishment being imposed against the inmate, all samples be sent to a licensed, certified laboratory for the initial screening and confirmatory test;
- (2) Providing that substance abuse testing for treatment or counseling shall be exempt from the requirements of paragraph (1) above;
- (3) Setting forth procedures for the taking and keeping of samples;
- (4) Directing the Director of PSD to develop rules establishing chain-of-custody requirements; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2896, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1012-92 Health on S.B. No. 2454

The purposes of this bill, as received, are:

- (1) To require that all written and oral prescriptions contain an instruction as to whether substitution is permitted or prohibited,
- (2) To allow the use of prescription forms with two signature lines, to provide physicians with an easy means of indicating their intention to prohibit substitution of equivalent drug products,
- (3) To allow physicians to handwrite either "do not substitute" or "brand medically necessary" on prescription forms in order to prohibit substitution of equivalent drug products, and
- (4) To prohibit pharmacists from substituting an equivalent drug for any prescription for an anti-epileptic drug without the permission of the prescriber and the patient or the latter's parent or guardian.
- (5) To substitute the term "pharmacist" for the term "dispenser" in sections 328-92 and 328-100, Hawaii Revised Statutes.

Your Committee has amended this bill by:

- (1) Deleting language that would allow prescription forms to have two signature lines as a means of allowing physicians to indicate whether or not equivalent drug products can be substituted,
- (2) Deleting language that would make a misdemeanor of any knowing violation of rules adopted pursuant to section 328-92, Hawaii Revised Statutes, and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee received testimony received testimony in support of this bill from the Department of Health, the Hawaii Pharmaceutical Association, the Hawaii Medical Association, and the Epilepsy Foundation. The Hawaii Medical Service Association testified in opposition to this bill.

Your Committee believes that this bill as amended addresses the concerns of the Epilepsy Foundation that substitution of anti-epileptic drugs can cause persons with epilepsy to experience serious two types of serious side effects: breakthrough seizures and drug toxicity. Your Committee also has addressed the concern of the Hawaii Medical Association that allowing prescription forms with two signature lines could have an adverse effect on health care costs.

Your Committee also wants to call attention to a concern that arose during the hearing about the effect of replacing the term "dispenser" with the term "pharmacist" in sections 328-92 and 328-100, Hawaii Revised Statutes. It was pointed out that some physicians dispense medicine and would not be covered under those statutes if that change in terminology were made. The representative of the Hawaii Pharmaceutical Association stated that his association does not object to retaining the term "dispenser" in those statutes.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2454, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

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

SCRep. 1013-92 Health on S.B. No. 1698

The purpose of this bill, as received, is to appropriate funds for the Malama Na Wahine Hapai project, a community-based culturally sensitive prenatal care program for pregnant women in rural areas.

A representative of the Department of Health spoke strongly in support of the intent of this bill but noted that budgetary restraints prevent recommending its inclusion in the Department's budget. A representative of the Hawaii Primary Care Association testified that the funding of primary health care should be given priority over the funding of the Malama Na Wahine Hapai project.

Your Committee has amended this bill by:

- (1) Reducing the appropriation to \$1, and
- (2) Changed the purpose of the appropriation to be the provision of culturally sensitive prenatal and primary health care for pregnant women in rural areas.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1698, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1698, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1014-92 Health on S.B. No. 1516

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in the sum of \$39,000,000 for the provision of tax-exempt financing to Queen's Medical Center for the construction of new facilities, the improvement of existing facilities, and the purchase of capital equipment.

Testimony was submitted by the Castle Medical Center (CMC).

Your Committee has amended the bill by deleting its contents and substituting provisions authorizing the issuance of special purpose revenue bonds in the sum of \$9,000,000 to enable CMC to secure tax-exempt refinancing for existing debts and financing for necessary projects to be initiated in 1992 and 1993.

More specifically, the issuance of the bonds will enable CMC to:

- (1) Make needed improvements to its existing health care and parking facilities;
- (2) Purchase needed capital equipment; and
- (3) Refinance debts of \$4,022,951 for capital equipment already acquired and completed improvements to existing facilities.

It is your Committee's understanding that without the proposed bond authority, CMC will be unable to keep up with the health care needs of the growing community.

In its amended form, this bill will strengthen the ability of CMC to furnish quality health care services to the people of this State. Additionally, because it enables CMC to secure tax-exempt financial assistance and take advantage of the lower interest rates currently being offered in the financial market, the bill, as amended, will also have cost containment benefits.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1516, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1516, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1015-92 Health on S.B. No. 3298

The purpose of this bill is to create a self-sufficiency trust fund that would enable persons with disabilities to receive supplemental services without jeopardizing their right to various governmental services and benefits.

Your Committee received testimony in support of this bill from representatives of the Department of Health, the State Planning Council on Developmental Disabilities, and the Mental Health Association in Hawaii. The Department of Health's testimony indicated, however, that it does not support funding in the next fiscal year to implement the self-sufficiency trust fund.

The self-sufficiency trust fund is a concept of considerable significance, your Committee feels. As was noted in earlier testimony, "Family members have long been stymied in their efforts to provide lifetime care for their loved one without jeopardizing government benefits.

Your Committee has amended this bill by:

- (1) Defining "residual trust" to mean "charitable trust" and
- (2) Deleting the appropriation to the Department of Health to carry out the purposes of this bill.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3298, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3298, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1016-92 Health on S.B. No. 2898

The purpose of this bill, as received by your Committee, is to further and more effectively control the use of anabolic steroids by amending the list of controlled anabolic steroids in section 329-11, Hawaii Revised Statutes. The bill corrects errors by eliminating the duplicate listing of substances by synonyms, correcting misspelled words, and eliminating from the list a substance which is not an anabolic steroid. The bill will now make the statute conform with the list of anabolic steroids placed in Schedule III by the Federal government in the Federal Controlled Substances Act.

Your Committee received testimony on the bill from representatives from the Department of Public Safety and the Office of the State Attorney General. All testimony received was in support of the measure.

Upon consultation with a Professor of Organic Chemistry at the University of Hawaii, Manoa, your Committee was informed that five of the chemicals listed in the bill (Fluoxymesterone, Mesterolone, Methyltestosterone, Norethandrolone, and Oxandrolone) are either listed in the Merck Index (10th Edition, 1983), a standard chemical reference, as androgens, or are likely to be androgens. Androgens have properties such that they could function similar to anabolic steroids. The

chemicals Dehydrochloromethyltestosterone and Drostanolone were not listed in the Index. Furthermore, no distinctions are apparently made on the list between trade names and chemical names.

Your Committee feels that the regular need to correct mistakes such as this in the law is partially a result of the Legislature's reliance on non-expert opinion when amending the law. This consultative advice was not received until after decisionmaking, however, so the bill is being forwarded without amendments.

Your Committee finds that the law should be amended so that the trade names, the chemical names, and all synonyms of these compounds are clearly listed. These lists should appear with the same spelling and categorization as they can be found in a standard reference. These suggested changes should be done in consultation with expert professional chemists who are familiar in their daily work with these compounds; members of the Department of Public Safety; and members of the federal Drug Enforcement Administration.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2898 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1017-92 Health on S.B. No. 2722

The purpose of this bill is to require that all warrants to be paid from the Hawaii Registered Nurse Student Loan Fund be issued by the Comptroller instead of the Director of Health.

Testimony in support of this measure was submitted by the Department of Health, the Hawaii Nurses' Association, and a private citizen.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2722 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1018-92 Health and Judiciary on S.B. No. 2714

The purpose of this bill, as reported to your Committees, is to amend Chapter 236, Hawaii Revised Statutes, to make it compatible with current medical practices for Hansen's disease, and to repeal sections that are no longer applicable.

Currently, the Hawaii Revised Statutes provide that the patient residents of Kalaupapa shall be accorded adequate health care and other services for the remainder of their lives. However, for those former residents who have chosen to leave the community to live closer to friends and family on the outside, they are forced into giving up the benefits guaranteed to those who remain at the settlement. The bill attempts to answer this problem by amending the law so that Hansen's Disease patients who were once segregated by order of the Department of Health and now live outside Kalaupapa and Hale Mohalu and in the State will receive medical treatment and services on an equal basis as those who remained at the institutions.

At the present time, the Hawaii Revised Statutes also prohibit anyone from taking photographs of any patient confined at any hospital or place for the care and treatment of individuals with Hansen's disease without the patient's written permission. The problem that currently exists is that there is no provision of penalty for violations of the ban. Thus, the law is broken frequently at Kalaupapa and the sheriff of the County of Kalawao has no ability to enforce the statute. The bill responds to this problem and updates the statute by limiting the prohibition to facilities maintained by the Department of Health, broadens the definition of picture taking to include current technologies, provides that violators may be fined up to \$1000 per an incident by the department, and also provides that violators may be issued a citation and summoned to appear in the district court.

Testimony was received from the State Department of Health and one individual, a retired public health nurse, who was testifying on her own behalf. Both parties supported the bill.

While in agreement of the intent of the bill to provide an equal level of health care and other services for those who are no longer resident at Kalaupapa and Hale Mohalu, your Committees feel that the use of the phrase "remain in the state" on page 1 of the draft would appear to mean that anyone who might be away on a short trip would not have their health care costs covered in the case of a health emergency. Your committee has amended the bill by changing the word "remain" to "reside" with the intent that in situations where any traveling patient resident or traveling former patient resident of Kalaupapa becomes ill, they shall be afforded adequate health care and other medical treatment and services so long as remain a resident of the State.

Your Committee is also in agreement with the intent of the bill to provide a more thorough protection for the patient residents of Kalaupapa and Hale Mohalu from having their images taken against their will. However, because the settlement at Kalaupapa exists as part of Kalawao County and the mayor of Kalawao County is the Director of the Department of Health, all district court functions take place in Honolulu. Thus, the bill as written would allow the issuance of summons to violators of the law in Kalaupapa and they would then be required to go to Honolulu to appear. With the intent to enhance the Department of Health's ability to enforce the prohibition of image taking, the bill was amended on page seven and the sentence allowing the issuance of citations and summons was deleted.

Your Committees on Health and Judiciary are in accord with the intent and purpose of S.B. No. 2714, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2714, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hirono, Peters, Thompson and Thielen.

SCRep. 1019-92 Ocean and Marine Resources on S.B. No. 3340

The purpose of this bill is to extend the prohibited season for the taking of mullet and spiny and slipper lobsters by one month.

Your Committee received testimony from the Department of Land and Natural Resources in support of the intent of this bill, which is to better conserve ocean resources. Testimony in opposition was received from a concerned citizen.

The migration of adult mullet to the nearshore reefs to spawn most frequently takes place during the period of December through February, which is presently the prohibited season for the taking of this specie. However, many variables can affect this movement that are attributed to the sea conditions and reproductive development.

Female spiny and slipper lobsters are carrying eggs externally during the period of June through August which is the closed season for harvesting this specie. However, females of this variety are also observed carrying eggs externally during the month of May.

Upon consideration of the testimony, your Committee believes that adding the month of November to the closed season for the taking of mullet is not warranted, considering the many variables to the spawning habits of this specie. For this reason, your Committee has amended the bill by:

- (1) Deleting "November" from Section 1 of the bill;
- (2) Changing the effective date of this bill to January 1, 1993; and
- (3) Making other non-substantive changes for style.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 3340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3340, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bunda.

SCRep. 1020-92 Ocean and Marine Resources; Intergovernmental Relations and International Affairs; and Tourism on S.B. No. 2783

The purpose of this bill is to appropriate \$120,000 for fiscal year 1992-1993 to the Department of Land and Natural Resources (DLNR) to defray the costs of the Hanauma Bay Educational Program. The bill also establishes a temporary task force, jointly chaired by the Department of Business, Economic Development, and Tourism (DBEDT) and the University of Hawaii (UH) Sea Grant Extension Service, to develop permanent funding sources for the program.

Two years ago, the Hanauma Bay Educational Program began as a small pilot educational program at the bay, with operating funds derived from cooperative efforts of the City and County of Honolulu's Department of Parks and Recreation and UH Sea Grant. The response to learning about marine life and the coral reef ecosystem from both the visitor and resident surpassed the expectations of the program. The program now conducts outreach programs in local schools as well as specialized tours of the bay for interested groups of citizens and school children and has been instrumental in heightening the awareness of all visitors of the fragility of this bay.

Your Committees received testimony in support of the intent of this bill from DLNR, DBEDT, the City and County of Honolulu's Department of Parks and Recreation, UH, Sea Grant College Program, Friends of Hanauma Bay, and many concerned citizens. However, DLNR could not fully support the bill should the funding for the program reduce current department priorities. In addition, DBEDT testified that DLNR would be more appropriate as a joint chair for the task force charged with seeking permanent funding.

Testimony received indicated that this program has had considerable impact on the environmentally protective manner in which the tourist now visits the bay. Through enhanced awareness of the sensitivity of the coral reef ecosystem, it is hoped that the tourist will continue to use appropriate behavior at other similar locations in the State.

Your Committees believe that the Hanauma Bay Educational Program has done a commendable job in this developmental stage. At the same time, your Committees wish to stress that private and permanent funding must be established within one year.

In full consideration of the testimony received, your Committees have amended this bill to:

- (1) Designate DLNR as an additional joint chair to the task force;
- (2) Add a representative from Hawaii Visitors Bureau as a member of the task force;
- (3) Make other non-substantive amendments for the purpose of clarity and style.

Your Committees on Ocean and Marine Resources and Intergovernmental Relations and International Affairs and Tourism are in accord with the intent and purpose of S.B. No. 2783, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2783, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Lee and Say.

SCRep. 1021-92 Ocean and Marine Resources on S.B. No. 3316 (Majority)

The purpose of this bill, as received, is to expand the Waikiki-Diamond Head Marine Life Conservation District (MLCD). As proposed, its eastern boundary would extend straight seaward from the eastern end of the Sans Souci Channel to thirty feet beyond the fringing reef. Its western boundary would extend straight seaward from the western end of the Hilton Channel to thirty feet beyond the fringing reef. The MLCD would be established pursuant to the rule making authority of the Department of Land and Natural Resources (DLNR) prior to January 1, 1993.

Most of those testifying on this bill had provided previous testimony on this bill's companion. Testimony continued to support its basic intent, which is directed at the conservation of aquatic resources and the enhancement of marine life in the nearshore area off Waikiki Beach.

Supportive testimony was received from the City and County of Honolulu's Department of Parks and Recreation, Waikiki Improvement Association, Waikiki Aquarium, TORCH-Oahu Branch, Kaimana Beach Hotel, Aikane Catamarans, Hilton Hawaiian Village, Hawaii Fishermen's Foundation, and many interested citizens. In almost all instances, however, the testimony referenced the companion bill with recommendations.

Testimony in opposition was received from All Hawaiian Tropicals, Hawaii Beachboy Service Association, and many concerned citizens and commercial fishers.

While concurring with the basic intent of this bill, both the IIBR and the University of Hawaii's Environmental Center could not fully support the bill.

Many were concerned that should the nearshore marine life increase in numbers the concomitant tendency for viewers of the underwater marine activity to feed the fish could potentially attract reef sharks. Testimony from commercial aquarium fish collectors noted that the companion bill would effectively exclude them from a segment of the reef that is vital to their livelihood. In addition, other commercial fishermen indicated that the companion bill did not clearly identify the type of gear permitted outside of the subzones created in that bill.

Based on the foregoing, your Committee has amended this bill by deleting the substance and inserting the provisions of H.B. 3756, H.D. 2, which provides for an expanded MLCD in the Diamond Head-Waikiki area, designates zones and subzones, and specifies non-consumptive and consumptive activities within those zones.

In consideration of the various recommendations offered, your Committee has amended the bill to provide that:

- (1) With proper permit, the collection of aquarium fish will be permitted in Subzones 1-A and 1-C;
- (2) With a valid commercial fishing license, there is no gear restriction outside of the subzones in Zones A, B, and C; and
- (3) Existing fishing tournaments may take place outside of the subzones.

Other non-substantive changes were also made for the purpose of style and clarity.

With regard to inappropriate fish feeding practices, your Committee strongly urges DLNR and the City and County of Honolulu's Department of Parks and Recreation cooperatively address this concern, either through rules or public education.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 3316, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3316, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1022-92 Intergovernmental Relations and International Affairs on S.B. No. 2452

The purpose of this bill is to appropriate an unspecified amount and to authorize the issuance of an unspecified amount of general obligation bonds for the placement of utility wires, cables, and related equipment underground in the area designated by the Department of Transportation Services of the City and County of Honolulu as the Diamond Head bikeway.

Testimony in favor of this measure was received from a City Council member, the Diamond Head/Kapahulu/St. Louis Neighborhood Board No. 5, the Save Diamond Head Association, the West Diamond Head Community Association, the Outdoor Circle, and two residents of the Diamond Head area.

Your Committee finds that the placement of utility wires and cables underground in the area of the Diamond Head bikeway will ultimately reduce the risk of accidents and injuries for residents and visitors alike, as well as enhance the aesthetic appeal of the Diamond Head Monument.

This bill has been amended by your Committee by:

- (1) Specifying that the Director of Finance be authorized to issue general obligation bonds in the sum of \$2,000,000 for the placement of utility wires, cables, and related equipment underground in the Diamond Head bikeway area;
- (2) Specifying that \$2,000,000 be appropriated for the placement of utility wires, cables, and related equipment underground in the Diamond Head bikeway area; and
- (3) Making other technical, nonsubstantive amendments for 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. 2452, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2452, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1023-92 Housing and Intergovernmental Relations and International Affairs on S.B. No. 2885

The purpose of the bill is to:

- (1) Return various development advantages to the Hawaii Housing Authority (HHA), in order to expedite the development of rental housing;
- (2) Return to HHA an exemption from competitive bidding laws when developing housing; and
- (3) Returning application to HHA the requirement that projects or petitions be deemed approved by county councils and the Land Use Commission 45 days after they are submitted where the councils and the Land Use Commission do not disapprove them during that period of time.

Testimony in support of this measure was submitted by Hawaii Housing Authority, the Department of Business, Economic Development and Tourism and concerned citizens.

Your Committees have amended this bill by:

- (1) Inserting a provision mandating notices of hearing shall be published not less than 15 days in advance of the hearing on the petition; and
- (2) Making technical, nonsubstantive revisions were made for the purpose of clarity and style.

Your Committees on Housing and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2885, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. 2885, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Peters.
(Representative M. Ige did not concur.)

SCRep. 1024-92 Housing on S.B. No. 2867

The purpose of this bill is to, inter alia:

- (1) Clarify the definition of "eligible borrower" and "eligible loan" in the Housing Finance and Development Corporation (HFDC) Taxable Mortgage Securities Programs law;
- (2) Clarify what portion of the Rental Assistance Revolving Fund may be used by the HFDC to make payments under rental assistance contracts or to subsidize tenants' rents;
- (3) Allow the HFDC, with the Governor's approval, to use up to \$55,000,000 plus any bond proceeds from the Rental Assistance Revolving Fund to provide interim construction financing for the development of affordable rental housing;
- (4) Require that a rental assistance contract and any subsidy of tenants' rents in Part II, Chapter 201E, Hawaii Revised Statutes (HRS), projects be for a term of 35 years or less and approved by the HFDC Board of Directors (Board); and
- (5) Authorize the Director of Finance to guarantee the aggregate obligation of the HFDC with regard to rental assistance contracts and subsidy of tenants' rents, provided that the aggregate of all such outstanding guarantees shall not exceed \$100,000,000.

Upon careful consideration, your Committee has amended the bill by deleting its contents and substituting, with some revision, the contents of H.B. 3567, H.D. 1, a bill which also provides for infrastructure funding. Essentially, the instant bill, as amended, provides as follows:

- (1) Establishes the infrastructure and equity gap development fund (fund) which is to be administered by the HFDC and which may be supported through the proceeds of State general obligation bonds, other evidences of State or HFDC indebtedness, and other sources as the Legislature may determine;
- (2) Authorizes the Director of Finance, with the approval of the Governor, to make a one-time transfer of \$50,000,000 to the fund from the Rental Assistance Revolving Fund;
- (3) Designates that the fund be used to provide grants for the development of necessary infrastructures and the provision of equity gap financing in the construction of affordable rental housing developments for very low, low, moderate, and gap group income families;
- (4) Defines "equity gap" as the difference between what a lender will finance and the cost of the development;
- (5) Designates that eligible projects shall have:
 - (A) Not less than fifty percent of the units for low and very low income families;
 - (B) Not less than forty percent of the units for moderate income families; and
 - (C) Not less than ten percent of the units for gap group income families;
- (6) Defines "very low income families" as those earning 50 percent of the area median income and below; "low income families" as those earning from 51 to 80 percent of the area median income; "moderate income families" as those earning from 81 to 120 percent of the area median income; and "gap group families" as those earning from 121 percent to 140 percent of the area median income;
- (7) Requires that upon the transfer of rental housing developments which have utilized moneys from the fund, the HFDC shall have, for a period of twenty years after receipt by the developer of a grant from the fund, the first option to purchase the rental development;
- (8) Requires that if the HFDC elects to waive its option to purchase, the developer/seller shall be required to pay to the corporation a share of the appreciation realized from the sale of the rental development;
- (9) Allows the aggregate principal sum and accumulated earnings in the rental assistance revolving fund to be utilized to:
 - (A) Make payments under rental assistance contracts entered into on or before June 30, 1992;
 - (B) Make payments for rental projects which have received board approval, on or before June 30, 1992, for commitment of rental assistance payments; and
 - (C) Subsidize tenants' rents in projects developed under Chapter 201E, Subpart IID, HRS, and wherein the term of the subsidy began on or before June 30, 1992;
- (10) Provides that the HFDC may pay its obligations in full at any time under a rental assistance contract;
- (11) Provides that no rental assistance contract shall be entered into under Chapter 201E, Subpart IID, HRS, after June 30, 1992, provided that the HFDC may enter into a rental assistance contract after June 30, 1992, if the Board has approved the commitment of rental assistance payment on or before June 30, 1992;
- (12) Provides that upon the corporation's fulfillment of its obligations under each and every rental assistance contract entered into on or before June 30, 1992, Subpart IID of Chapter 201E, HRS, shall be repealed;
- (13) Provides that the Act shall take effect on July 1, 1992; and
- (14) Amends the definition of "eligible borrower" in Section 201E-110, HRS, to, inter alia:
 - (A) Require that the borrower and his or her spouse not own a majority interest in any residential property in the State; and
 - (B) Include a qualified sponsor of an affordable housing project.

Your Committee understands that the high cost of infrastructure and the obtaining of equity gap financing are two of the greatest impediments to affordable housing production in the State. The proposed fund will bridge the gap between the cost of developing and the monthly income received from the project by providing grants for infrastructure and equity gap financing. Because these grants are up-front, the State will not be locked into contracts which require payments over a period of many years. This results in dramatically reduced administrative costs. More importantly, because the principal sum as well as the earnings of the fund may be utilized for grants, the housing production power of fund moneys is activated and maximized.

For all of the foregoing reasons, it is the intent of your Committee that the Rental Assistance Revolving Fund be phased out and ultimately replaced by the proposed fund. Accordingly, the bill provides that the Rental Assistance Revolving

Fund exist only for as long as it takes the State to fulfill its obligations under rental assistance contracts existing on or before June 30, 1992.

Finally, the fund focuses on rental housing development because this is a priority which your Committee feels must be addressed. While believing that assistance to multi-family rental units should be the priority, your Committee also emphasizes that, in determining the number of multi-family units for a project, the HFDC take into consideration the density which is appropriate for the communities involved.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2867, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1025-92 Housing on S.B. No. 2858

The purpose of this bill is to implement recommendations made by U.S. Department of Housing and Urban Development (HUD) and Federal National Mortgage Associations (FNMA) to the Housing Finance and Development Corporation (HFDC) relating to HFDC restrictions on buyback owner-occupancy restrictions imposed on dwelling units developed by HFDC. Currently, certain restrictions are unacceptable to HUD and FNMA.

Testimony was submitted in support of this matter by the Housing Finance and Development Corporation.

Upon further consideration, your Committee has amended this bill by deleting the substance, and inserting therefor, the substance of H.B. No. 2504 H.D. 2. Your Committee note that H.B. 2504 H.D. 2, passed out of the House of Representatives earlier this session after a public hearing before the House Committee on Housing.

The purpose of this bill is to:

- (1) Authorizes the HFDC to establish a Homebuyer's Club Program.

Your Committee finds that there are numerous families and individuals who are desirous of purchasing a home of their own, but who lack the wherewithall and resources. The Homebuyer's Club would assist these families by providing participants with strategies to save money and resolve credit problems, as well as information on how to shop for and qualify to purchase a home of their own;

- (2) Authorizes the HFDC to establish a Rent-to-Own Program.

Under this program, participants would be allowed to rent units in a for up to five years, during which time the renter would be given an opportunity to save enough for a downpayment and costing costs. Additionally, a portion of the rental payment would be applied toward the purchase of the unit, thus making the home price more "affordable." The sale price would remain constant for the five-year period.

- (3) Amends the State Mortgage Guarantee Program, which is established under subpart II.G of Chapter 201E, Hawaii Revised Statutes, to make the program more workable.

Under this program, the HFDC would be authorized to guarantee to top twenty-five percent of the principal balance of real property mortgage loans for home purchases. This program is intended to assist purchasers who would not otherwise be able to qualify for a mortgage loan.

- (4) Amends the Downpayment Loan Program established under subpart II.H of Chapter 201, HRS, to make the program more workable.

The proposed amendments would allow the HFDC to make downpayment loans to eligible borrowers who are unable to save up sufficient sums for the downpayment on a home. The interest rates on the loans would range from 0% to 8%, depending on the borrowers' incomes. The loans would be due and payable upon the sale, transfer, or refinancing of the home, or would be repaid in installments. If repaid in installments, the HFDC would be authorized to defer repayment of the loan for a period of time. The program also requires that the borrower shall provide a portion of the downpayment which shall be equal to at least 3% of the sales price, and establishes a new revolving fund for the program.

- 5) Finally, this bill amends section 201E-217, HRS, relating to the the Hawaii Development Revolving Fund.

Currently, the law provides that "seed money" loans shall be made to nonprofits for affordable housing projects at an interest rate of 6%. The proposed amendments would allow grants, as well as loans, to be made. Also, interest on the loans would be at a rate not to exceed 6%.

It is the intent of this Committee that no funding be provided for these programs at this time. If this bill is enacted, the Housing Finance and Development Corporation would be provided with sufficient time to adopt rules to implement these programs, after which time funding could be requested to make the programs operational.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2858, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2858, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1026-92 Energy and Environmental Protection and Consumer Protection and Commerce on S.B. No. 2767

The purpose of this bill is to regulate the servicing of refrigerated appliances and machines utilizing CFCs, halons, and other ozone-depleting compounds.

Testimony submitted by the Department of Commerce and Consumer Affairs supports the intent of this measure but offers several recommendations to implement its provisions within the framework of existing laws and to achieve its educational goals through currently available training courses. The Department of Health, the Chancellor of Community Colleges, and an individual submitted testimony in favor of the measure. Another individual who supports the intent of the measure expresses concern that the specific provisions of S.B. 2767, S.D. 2, are not broad enough to regulate all uses of ozone-depleting compounds.

Your Committees have amended this measure by:

- (1) Deleting proposed language to create a new chapter on the servicing of refrigerated appliances and machines;
- (2) Amending Chapter 342C, Hawaii Revised Statutes, to:
 - (a) Include the definitions of halons, hydrochlorofluorocarbons, and ozone-depleting compounds, and to amend the existing definition of CFCs;
 - (b) Amend the prohibited acts section to include the sale of HCFC refrigerants in containers smaller than fifteen pounds net, the servicing of equipment by uncertified persons effective January 1, 1994, and the wilful release of HCFCs;
 - (c) Amend the penalties section to increase the fine for selling or offering for sale prohibited units of CFCs or HCFCs to \$1,000 per offense, establish a \$1,000 fine for persons servicing equipment without certification effective January 1, 1994, and increase the fine for wilful releases of CFCs or HCFCs to \$2,500;
- (3) Amending Chapters 437B and 444, Hawaii Revised Statutes, to comport with the amendments made to Chapter 342C; and
- (4) Deleting funding provisions.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 2767, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2767, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Bunda.

SCRep. 1027-92 Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Health on S.B. No. 2653

The purpose of this bill is to amend existing solid waste statutes to insure that the Department of Health has sufficient authority to adopt rules relative to the design, location, operation, closure and post closure maintenance of Municipal Solid Waste Landfills, known as Subtitle D. By adopting rules in compliance with Subtitle D, the State would achieve "approved status", and gain considerable flexibility in the permitting and regulation of new and existing landfills.

Your Committees on Energy and Environmental Protection, Intergovernmental Relations and International Affairs, and Health find that if the State fails to gain "approved status" by adopting rules in compliance with federal regulations by October 9, 1993, the federal regulations will take effect automatically, providing no flexibility for the counties to propose alternative designs for landfills compatible with local conditions. This bill will permit the Department of Health to adopt rules for approval of the State program by the federal Environmental Protection Agency.

Supportive testimonies were received from the Counties of Hawaii, Kauai, Maui and Honolulu; the Department of Health; and a private engineering firm. The counties agreed that it is very important for the Department of Health to become approved by the EPA to administer Subtitle D prior to October 9, 1993, when federal regulations would prevail in absence of a State plan which has received approval.

Your Committees have amended this bill by amending Section 1, subsection f, page 5, to read: Municipal Solid Waste landfill units containing sewage sludge shall comply with provisions of this part and the rules adopted pursuant to this part.

Your Committees have further amended this bill by amending Section 3, subsection i, to read: "Variances shall not be granted to owners or operators of municipal solid waste landfill units except where specifically provided for in the rules adopted pursuant to this part."

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs and Health are in accord with the intent and purpose of S.B. No. 2653, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2653, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Peters.

SCRep. 1028-92 Energy and Environmental Protection on S.B. No. 2770

The purpose of this bill is to ensure that contractors who install, remove, retrofit, repair, transport and dispose of underground storage tanks are qualified, by requiring contractors to hold a license, registration or permit to offer such services. The Contractors License Board may adopt rules to establish the standards, procedures, and testing methods for licensure of these specialty contractors.

Your Committee on Energy and Environmental Protection finds that the underground storage tank laws, regulations, rules, and requirements of the State and the federal Environmental Protection Agency (EPA) impose requirements and responsibilities on many small business owners and operators of underground storage tanks in Hawaii. Small business owners and operators usually lack the resources and technical expertise to comply with these requirements without assistance from contractors.

Your Committee further finds that existing rules of the Department of Commerce and Consumer Affairs for specialty contractors are not specific enough to cover contractors who install, retrofit, and remove underground storage tanks. Problems arise when unqualified contractors perform work which fails to meet the standards of the State and EPA. In such incidents, the owner of the underground storage tank is held responsible, rather than the contractor. Your Committee finds that legislation is necessary to regulate these specialty contractors in order to prevent problems which may occur when unqualified contractors are utilized.

Senate Bill No. 2770, S.D. 1, describes the activities performed by underground storage tank contractors; states the requirements for licensure of contractors; stipulates the authority of the Board of Contractors to adopt rules to establish standards, procedures, and testing methods for licensure; and establishes penalties for violations.

Your Committee heard testimonies from the Department of Health, the Contractors License Board, Building Association of Hawaii, Sheet Metal Contractors Association, and the Hawaii Automotive Gasoline Dealers Association. While the Department of Health and the Contractors License Board agreed with the intent of the bill, they disagreed as to which body should be responsible for implementation of its provisions. The Building Industry Association of Hawaii and the Sheet Metal Contractors Association questioned the need for this legislation.

Your Committee is requesting the Committees on Consumer Protection and Commerce and Judiciary, who will next hear this bill, to consider some of the concerns which were raised in the hearing before the Committee on Energy and Environmental Protection.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 2770, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative Bunda.

SCRep. 1029-92 Energy and Environmental Protection on S.B. No. 276

The purpose of this bill, as received by your Committee on Energy and Environmental Protection, was to permit the use of plastic connecting devices on beverage containers, motor oil, and other consumer goods provided the devices are recyclable and designed to protect wildlife.

Your Committee finds that this bill as written would allow plastic ring devices which could be harmful to wildlife, since no restrictions on the diameters of the holes in the devices were stipulated. Your Committee further finds that plastic materials are inherently not degradable, and that because a material is recyclable does not mean it will be recycled in absence of a market and collection system for recyclable plastic ring devices.

Your Committee heard testimonies from the Department of Health and the Hawaii Food Industry Association (HFIA). The Department of Health expressed concerns about the recyclability of plastic materials and the market for plastic materials if they were recycled.

Your Committee on Energy and Environmental Protection has amended Section 339-22, Hawaii Revised Statutes, to meet the intention of this Bill, protecting wildlife and allowing specified plastic devices to be used even if there is no market for recyclable plastic materials.

Your Committee has further amended this bill by including penalties for violations of this measure, which are identical to Section 339-7, Hawaii Revised Statutes, relating to beverage containers with detachable pull-tabs.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 276, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 276, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1030-92 Energy and Environmental Protection and Judiciary on S.B. No. 2302

The purpose of this bill is to provide relocation assistance to any homeowner who meets certain eligibility criteria to move away from a geothermal facility by providing for the sale of that person's home in a fair and equitable manner.

Testimonies received from the Mayor of Hawaii, the Department of Business, Economic Development and Tourism, and the Department of Land and Natural Resources support the passage of the bill provided that the current eligibility criteria is liberalized. Testimonies submitted by the Kapoho Community Association, the Big Island Rainforest Action Group, and several individuals who live within close proximity of the Puna Geothermal Venture site oppose the passage of the bill. One individual who is a resident of Puna supports the passage of the bill.

Your Committees have amended this measure by:

- (1) Clarifying that geothermal resources represent a potential source of alternate energy;
- (2) Deleting paragraphs (1) and (2) in section 1 for the purpose of clarity;
- (3) Deleting "obliged" when referring to eligible owners and clarifying that such owners are "adversely impacted;"
- (4) Defining "owner;"
- (5) Liberalizing relocation eligibility criteria to include:
 - (a) Any owner who is located within three thousand five hundred feet of a geothermal facility;
 - (b) Any owner who purchased his or her dwelling before June 12, 1991; and
 - (c) Any owner of a dwelling, including absentee and non-resident owners.
- (6) Allowing for temporary relocation assistance;
- (7) Deleting "with an upset price of not less than the amount paid for that dwelling" in section 3(l);
- (8) Deleting the requirement that any owner who receives relocation assistance apply those monies received from the State to the purchase of a new dwelling within the State;
- (9) Clarifying that the fund is to be known as the geothermal mitigation fund;
- (10) Deleting language that would penalize future purchasers of dwellings offered for sale by the State;
- (11) Clarifying that geothermal resource developers shall be responsible for maintaining the geothermal mitigation fund and compensating eligible owners who are adversely impacted after the effective date of this measure; and
- (12) Appropriating \$500,000 in general revenues to be paid into the geothermal mitigation fund for fiscal year 1992-1993.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of S.B. No. 2302, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2302, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1031-92 Energy and Environmental Protection on S.B. No. 2317

The purpose of this bill, as received by your Committee, is to appropriate funds for a feasibility and site selection study and for preliminary engineering design for a thirty-five megawatt hydroelectric power plant that generates electricity by pumping seawater to an elevated reservoir at night and releases it back to the ocean through a turbine during the day.

Your Committee on Energy and Environmental Protection finds that utility companies have a surplus of electrical power at night, but a shortage during peak day hours. A pumped storage tank system will use the surplus night power to pump water into an elevated storage tank at night, and then release it during the day through a turbine to generate electricity to satisfy the peak day demands. Your Committee further finds that the generation of electricity through this hydroelectric system will decrease the State's dependence on imported fossil fuels.

Your Committee heard supportive testimonies from the Hawaiian Electric Company, the Maui Electric Company, the Hawaii Electric Light Company, and from the Department of Land and Natural Resources. The electric companies testified that coordination with the appropriate electric utility would be essential, and that the capacity for generation might vary with the site and the needs of the utility company.

Your Committee has amended Senate Bill No. 2317, S.D. 1, to ensure that the Department of Land and Natural Resources will coordinate this project with the appropriate utility company, and to permit the output to be determined by the site and the needs of the utility company affected by the hydroelectric power plant.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 2317, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2317, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1032-92 Energy and Environmental Protection on S.B. No. 3317

The purpose of this bill is to encourage State agencies to recycle their office paper and other materials by allowing these agencies to collect and utilize the income generated from recycling.

Your Committee on Energy and Environmental Protection finds that Section 342G-45, Hawaii Revised Statutes, establishes an office paper and other materials recovery program for all appropriate offices within the department, and that by June 30, 1993, all State and County agencies shall establish an office paper and other materials recovery program.

Your Committee further finds that much of the office paper and other materials used by State agencies could be recycled, but that there is little incentive for office workers to devote the extra effort required in a recycling program. Your Committee believes that office workers will gladly participate in a recycling program if they can use the proceeds from sales of materials to be recycled to purchase non-budgeted equipment, supplies, training, or any other agency-related use.

Senate Bill No. 3317 will provide the necessary incentive to encourage the participation of office workers in recycling programs, thus ensuring compliance with Section 342G-45.

Your Committee heard supportive testimonies from the Departments of Health and Accounting and General Services. The Department of Health stressed the importance of using the funds for non-budgeted items.

Your Committee on Energy and Environmental Protection has amended Senate Bill No. 3317 by inserting language that changes "special account" to "recycling revolving fund", stipulates that funds are to be used for non-budgeted items, and provides for the accountability of participating agencies. Your Committee has further amended the bill by correcting a typographical error.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 3317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3317, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1033-92 Energy and Environmental Protection and Housing on S.B. No. 3098

The purpose of this bill is to declare void any rule, covenant, or bylaw in a cooperative or condominium project which prohibits the installation of a solar energy device which is properly installed and of commercial grade, or any prohibition by a developer against such installation.

Your Committees on Energy and Environmental Protection and Housing find that restrictions may be placed on the installation of solar energy devices in cooperative and condominium developments, thus depriving residents of the advantages of such devices.

Senate Bill No. 3098, S.D.1, will void impediments to the installation of solar energy devices which are properly installed and of commercial grade, thus resulting in a reduction in the State's dependence on imported fossil fuels, as well as a financial saving for users.

Your Committees on Energy and Environmental Protection and Housing heard testimonies from the Department of Business, Economic Development and Tourism; the Hawaii Association of Realtors; and management of condominium projects, Kiahuna Plantation Resort and Village Resorts, Inc. DBEDT pointed out that the installation of solar systems is the most important step a family can take in reducing the consumption of electrical energy. The Hawaii Association of Realtors testified in support of energy conservation, but expressed concerns about costs when panels had to be removed for reroofing, about making decisions as to whom should receive approval for solar installation since roofing areas are limited, and about the necessity for the bill, since disputes are rare. Condominium representatives expressed concern that the installation of solar systems may impair the beauty of buildings unless there are controls over the design of these devices. Your Committees want it reflected in their report that their action on the bill is related only to solar systems for the utilization of renewable energy, leaving other concerns to be considered by the Committee on Consumer Protection, which will next hear this bill.

Your Committees on Energy and Environmental Protection and Housing are in accord with the intent and purpose of S.B. No. 3098, S.D. 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 Representative Peters.

SCRep. 1034-92 Energy and Environmental Protection and Judiciary on S.B. No. 2719

The purpose of this bill, as referred to your Committees, is to bring the State into compliance with the Federal Clean Air Act Amendments of 1990, and to enable the Department of Health to regulate the "emission of pollutants" rather than "pollution."

Specifically, the bill:

- (1) Establishes a permit program based on federal requirements which would be run solely on the fees collected by specified sources of pollution;
- (2) Requires that these sources pay fees in relation to the amount of pollutants emitted;
- (3) Provides criminal penalties for knowing violations;
- (4) Provides monitoring and recordkeeping requirements for sources;
- (5) Provides for judicial review for specified persons;
- (6) Establishes a clean air special fund to be funded by fees collected from sources of specified pollutants based on the amount of pollutant emitted;
- (7) Expands enforcement provisions;
- (8) Revises penalty provisions; and
- (9) Establishes a small business assistance program, compliance advisory council, and a small business ombudsman for air pollution control.

Your Committees recognize that the State must implement a program which meets the requirements of the Clean Air Act Amendments of 1990. If the State fails to do so within strict time limitations, it may lose highway funding and, moreover, the Environmental Protection Agency may then establish and run its own program for the State.

Testimony submitted by the Department of Health strongly supports the bill. The Sierra Club strongly supports amendments to Hawaii's clean air law but finds that the provisions of S.B. 2719, S.D. 2, are less desirable than those contained in H.B. 3086, H.D. 1. Hawaii Electric Company supports the intent of S.B. 2719, S.D. 2, but expresses concern regarding the definition of air pollutant, and the lack of a regulatory exemption for electric utilities. Public Affairs Consultants and Chevron object to sections in the bill which deny due process to alleged violators.

Your Committees have amended this bill by deleting its content and substituting the content of H.B. 3086, H.D. 1. Specifically, this version of the bill differs from S.B. 2719, S.D. 2, by:

- (1) Allowing for greater public participation regarding proposed actions impacting air quality, and settlement agreements over violations of clean air requirements;
- (2) Including a provision for citizen suits;
- (3) Allowing the Director of Health to reward up to \$10,000 to any person who assists in the conviction of violators of the chapter;
- (4) Strengthening criminal penalties to reflect federal law;
- (5) Holding corporate officers accountable for violations of the chapter;
- (6) Prescribing the permit program costs which proceeds in the clean air special fund are to pay for;
- (7) Establishing minimum permit conditions;
- (8) Requiring the Department of Health to compile annual reports on air quality; and
- (9) Amending the Hawaii Revised Statutes by establishing a new chapter on air pollution control and repealing Chapter 342B.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of S.B. No. 2719, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2719, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1035-92 Energy and Environmental Protection on S.B. No. 3171

The purpose of this bill is to fund the development of a pilot wastewater treatment demonstration facility by the Department of Health using the solar aquatic system.

Your Committee on Energy and Environmental Protection finds that wastewater treatment is a pressing problem in the State of Hawaii, since the discharge of untreated sewage leads to contamination of drinking water supplies and coastal marine waters.

Your Committee further finds that the State of Massachusetts has supported the development of a wastewater treatment demonstration facility which utilizes a revolutionary technology called the solar aquatic system, treating wastewater and its byproducts with only the natural processes of sunlight, plants, and animals in a balanced ecosystem. Senate Bill No. 3171, S.D. 1, will appropriate funds for the Department of Health to implement a pilot demonstration project of the solar aquatic system in Hawaii.

Your Committee heard supportive testimony for SB No. 3171, S.D. 1, from the Department of Health.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 3171, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1036-92 Energy and Environmental Protection and Higher Education and the Arts on S.B. No. 3331

The purpose of this bill is to have the Bishop Museum, as the State's Museum of Natural and Cultural History, establish a biological survey to conduct an ongoing natural history inventory of the Hawaiian archipelago to locate, identify, evaluate, and maintain the reference collections of all species of flora and fauna within the State.

Your Committees on Energy and Environmental Protection and Higher Education and the Arts find that a comprehensive inventory of all species of flora and fauna will complement the existing Hawaii Heritage program which manages data on rare native species, enable coordination of other existing departmental and organizational databases, give national prominence to such efforts, and help attract funding from both foundations and federal sources. Of utmost importance, a biological survey will expand the uses, controls, and knowledge of biological species, and enhance the State's efforts to preserve native species and natural resources.

Your Committees heard supportive testimonies from the Department of Land and Natural Resources, the Department of Agriculture, the Bishop Museum, and the Nature Conservancy of Hawaii.

Your Committees have amended Senate Bill 3331 S.D. 2, to clarify the scope of the biological survey and the complementary role it shall play to the Hawaii Heritage program and other existing biological databases.

Your Committees on Energy and Environmental Protection and Higher Education and the Arts are in accord with the intent and purpose of S.B. No. 3331, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3331, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1037-92 Labor and Public Employment on S.B. No. 94

The purpose of this bill is to establish a telework center income tax credit ("Telework center credit") for taxable years beginning after December 31, 1991 and before January 1, 1997.

This measure provides that qualified taxpayers would qualify for a tax credit of 50 percent of the purchase cost of telecommunication equipment and appurtenances used to establish a telework center. If used by a handicapped person in that person's home or at the telework station, the taxpayer would qualify for a tax credit of 100 percent of the purchase cost of the equipment or appurtenances, subject to certain limitations.

In addition, the telework center credit would not be allowed for the portion of cost for which a deduction is taken under section 179 of the Internal Revenue Code with respect to the election to expense certain depreciable business assets.

Your Committee received testimony from the Department of Taxation and the Tax Foundation of Hawaii. The Department of Taxation expressed concerns that the telework center credit may be duplicative in nature.

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

- (1) Ensuring that the telework center credit is not a double tax credit by providing that:
 - (A) If the taxpayer takes depreciation under section 167 (with respect to depreciation) or takes a deduction under section 168 (with respect to accelerated cost recovery system) of the Internal Revenue Code of 1986, as amended, the taxpayer may not take a telework center credit for that portion of cost of establishing a qualified telework center for which the depreciation or deduction was taken; and
 - (B) If the taxpayer claims the capital goods excise tax credit (Section 235-110.7, Hawaii Revised Statutes) for the cost of tangible personal property used to establish a qualified telework center, the taxpayer must claim either the capital goods excise tax credit or the telework center credit;
- (2) Changing references to "handicapped person" or related terms to "disabled person" or related terms;
- (3) Defining "disabled" as the state of having a physical or mental impairment that substantially limits one or more major life activities, having a record of such an impairment, or being regarded as having such an impairment;

- (4) Providing that, upon its approval, this measure apply to taxable years beginning after December 31, 1992 and before January 1, 1997; and
- (5) Making other technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 94, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 94, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1038-92 Labor and Public Employment and Judiciary on S.B. No. 2894

The purpose of this bill, as received, is to retain the two and one-half per cent retirement benefit formula for corrections officers and narcotics enforcement investigators who are promoted to corrections manager positions within the Department of Public Safety. Presently, certain corrections officers and narcotics enforcement investigators of the Department of Public Safety are eligible for a retirement allowance of two and one-half per cent of their respective average final compensation. However, when such an employee is promoted to a managerial position, the employee is no longer eligible for the higher retirement allowance. This bill proposes to support the career opportunities of these employees by preserving the two and one-half per cent retirement benefit if they are promoted to a corrections managerial position.

Testimony in support of the intent of this measure was received from the Director of Public Safety.

Testimony was also received from a private attorney requesting that this measure be amended to provide for prior service credit for certain judges. Under Section 88-61(c), ("HRS"), judges who chose to terminate their membership in the Employees' Retirement System were allowed to continue to serve as full time judges, but were not allowed to receive a retirement allowance or membership service credit. The purpose of allowing retirement under this section was to prevent the otherwise unfair situation of judges who die in office from receiving much less benefits than those who die after retirement. However, with the passage of time, judges who retired under Section 88-61(c), HRS, will receive much less retirement benefits than those who continue in active service without retirement. Your Committees find it appropriate to encourage judges to remain in active service for the benefit of the public and the Judiciary by allowing such judges to again become members in the retirement system.

Your Committees have amended this bill to allow judges who retire under Section 88-61(c), HRS, to be allowed membership in the Employees' Retirement System and to be entitled to receive membership service credit for that previous service, provided that the membership service shall be credited in accordance with Section 88-59, and that when the judge again retires, it shall be as if it were for the first time.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of S.B. No. 2894, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2894, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1039-92 Labor and Public Employment on S.B. No. 2742

The purpose of this bill is to expedite the hiring of State employees and to give competent current employees opportunities for career advancement within State government.

Specifically, this measure authorizes the Director of Personnel Services (Director) to disregard the painstaking and time-consuming requirements of Section 76-23, Hawaii Revised Statutes, which frustrates the process of recruitment of qualified candidates for vacancies.

This measure empowers the Director to determine, establish, and maintain, on an expedited basis, the manner in which State civil service positions are to be filled until June 30, 1994.

While the State is experimenting with this expedited hiring procedure, the counties will continue to fill civil service positions in the usual manner, pursuant to Section 76-23, Hawaii Revised Statutes. If the Department of Personnel Services is successful in streamlining the hiring process, your Committee hopes that the provisions of this measure will be made permanent and that the counties can benefit from expedited yet fair recruitment and hiring practices.

The Department of Personnel Services, the Judiciary, and the Hawaii Government Employees Association submitted testimony in support of this measure.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 2742, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1040-92 Labor and Public Employment on S.B. No. 1151

The purpose of this bill is to delete the detailed definition of and procedures for intragovernmental transfers.

Your Committee finds that collective bargaining and the multiplicity of salary ranges has rendered the current definition of intragovernmental transfers unworkable. The present law unduly complicated transfers between bargaining units and, in some instances requires transfers or promotions to be calculated as demotions.

Your Committee received favorable testimonies from the Department of Personnel Services, the Judiciary of Hawaii, Department of Civil Service, County of Honolulu, Department of Personnel Services, County of Maui, the Department of Personnel Services, County of Kauai, Department of Civil Service, County of Hawaii, and the Hawaii Government Employees Association.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1151 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1041-92 Labor and Public Employment on S.B. No. 2596

The purpose of this bill is provide that an employee who prevails in a civil action relating to a noncompetition agreement shall be awarded reasonable attorneys' fees and costs of the suit.

A noncompetition agreement is an agreement prohibiting or limiting competition by an employee or former employee. Examples include agreements that the employee will not: (1) accept concurrent employment or acquire any interest in a competing business during the employment relationship; (2) compete with the employer or work for a competing company for a reasonable period after the employment relationship is terminated; or (3) disclose trade secrets.

While many noncompetition agreements are not detrimental to the broad community interest in a competitive marketplace and are useful or even necessary, there is a risk of employees being abused by unnecessarily onerous and unreasonable use of noncompetition clauses in employment agreements. Employees, often are forced to defend themselves against legal action brought by a former employer to enforce such an agreement. Protection is needed, because of the disparate economic positions of the parties, and the financially devastating burden that can be imposed on employees and their families as a result.

Your Committee finds that this bill will discourage employers from filing unwarranted suits against present or former employees, encourage competition which is beneficial to consumers and promote the growth of small businesses.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 2596, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1042-92 Labor and Public Employment on S.B. No. 1076

The purpose of this bill is to allow police officers, firefighters, corrections officers, investigators of the Departments of the Prosecuting Attorney and the Attorney General, and narcotics enforcement investigators, who have at least fifteen years of credited service, to receive a retirement allowance of two percent of the member's average final compensation upon retirement for ordinary disability; provided that the maximum allowance not exceed 80 percent of the member's average final compensation.

Current law provides that if a member in the contributory retirement plan with 10 or more years of service is granted ordinary disability retirement, the member will receive a retirement allowance of 1-3/4 percent of the member's average final compensation for each year of credited service. The minimum retirement allowance payable would be 30 percent of the member's average final compensation.

This measure would enable firefighters, police officers, corrections officers, and investigators to receive a higher allowance upon retirement for disability. Firefighters, police officers, corrections officers, and investigators face occupational hazards in which they often risk their lives to perform their duties. This measure recognizes the important public service provided by these individuals who are involved in dangerous, highly stressful occupations.

The State of Hawaii Organization of Police Officers (SHOPO) and the Hawaii State Fire Fighters Association submitted testimony supporting the intent of this measure and recommending that the measure be amended by increasing the minimum service requirement from 15 to 20 years and increasing the benefit compensation rate from 2 to 2-1/2 percent. The Employees' Retirement System provided comments on this measure.

Your Committee has amended this measure by:

- (1) Providing that these individuals qualify after having at least 20 years of credited service;
- (2) Increasing the amount of the retirement allowance to two and one-half percent of the member's average final compensation; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 1076, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1076, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1043-92 Labor and Public Employment on S.B. No. 3396

The purpose of this bill is to require that the Department of Education submit to the Board of Education, a semi-annual certification compliance report that lists all personnel in collective bargaining unit 5 by name, hire date, school, line assignment, type of certificate issued, and whether the person is certified in the area to which the person is currently assigned.

Your Committee finds that there is a need for current information regarding the certification status of teachers in order to begin to properly address the issue of improving the quality of the teacher workforce.

Your Committee received testimony from the Board of Education and the Hawaii State Teachers Association.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of S.B. No. 3396, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 1044-92 Labor and Public Employment; Health; Human Services; and Judiciary on S.B. No. 2853

The purpose of this bill is to change the term "handicapped" or related terms, as they appear in the Hawaii Revised Statutes, to "disability" or related terms.

The federal American with Disabilities Act of 1990 clearly established that the term "disability" is more statutorily correct than the term "handicapped". Since this terminology is preferred by the persons to whom it is applied, your Committees find that this measure expresses greater sensitivity and a more positive view of these individuals.

The State Office of Affirmative Action, the Commission on Persons with Disabilities, the State Planning Council on Developmental Disabilities, the Hawaii Civil Rights Commission, and a concerned individual testified in support of this measure.

Your Committees on Labor and Public Employment, Health, Human Services, and Judiciary are in accord with the intent and purpose of S.B. No. 2853, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1045-92 Human Services on S.B. No. 3307

The purpose of this bill is to appropriate funds to improve the ability of the child support enforcement agency (CSEA) to administer its program by providing more positions statewide and providing additional office equipment for the new staff.

Although your Committee heard testimony by CSEA that because of the funding restrictions placed on all agencies that it needed as a priority item the six Child Support Enforcement Specialist IV (SR22) for the Oahu Branch at a cost of \$61,371 State funds matched by \$119,133 Federal funds for a total of \$180,504.

Your Committee felt that based on the urgency of developing a child support program that would achieve its goal of providing child support for our children in a timely manner that all 39 positions were necessary, and therefore, ratified the provisions expressed in H.B. 3894 H.D. 1, to fund all of the 39 positions. The Committee felt that a bill designed to do a complete job would be more effective than a bill which would not accomplish the goals of CSEA in its mission to provide for the children of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3307, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3307, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 1046-92 Health on S.B. No. 2420

The purpose of this bill, as received by your Committee, is to establish a non-enforcement program within the Department of Health to provide voluntary food safety surveillance, and control and educational activities to assist the food service industry and foodhandlers.

Testimony on this bill was received from representatives of the Department of Health and the Hawaii Restaurant and Licensed Beverage Associates. Both parties strongly endorsed the measure.

The Department of Health suggested that this bill amend Chapter 321 of the Hawaii Revised Statutes, rather than Chapter 328. Your Committee concurred, and the bill was so amended. Through discussions with the representative of the department, it was understood by the Committee that the program would be located in Honolulu rather than in Hilo. It was also established while in discussion that it would be appropriate to place a system for public participation in food safety monitoring within the proposed program.. Language was added to the bill to allow the development and implementation of such a system.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2420, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2420, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1047-92 Health on S.B. No. 2422

The purpose of this bill is to authorize the issuance of general obligation bonds to permit completion of a substance abuse treatment unit at Maui Memorial Hospital

A representative of the Department of Health testified in support of the intent of this bill. He explained that the Legislature already has appropriated \$3,900,000 to fund this project, an amount that is insufficient, however, to allow its completion. He also stated that the Department is unable to support funding of the request at the present time.

Your Committee has amended this bill by

- (1) Specifying that the facility will have a minimum of 26 inpatient beds and
- (2) Restoring the original appropriation of \$3,309,000 for the project.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2422, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2422, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1048-92 Health and Judiciary on S.B. No. 2851

The purpose of this bill is to provide express authority in State law for establishing a protection and advocacy system for the developmentally disabled and the mentally ill citizens of the State and to provide that the designated agency have unqualified access to the records of their clients.

Representatives from the following organizations submitted testimony in support of the bill: the Office of the Governor, Department of Health, State Planning Council on Developmental Disabilities, Commission on Persons with Disabilities, and Hawaii University Affiliated Program for Developmental Disabilities.

Your Committees have adopted the recommendations of the Governor's Office and amended the bill as follows:

- (1) Deleted language on page 1, lines 6-7, which refers to the Developmental Disabilities Assistance Bill of Rights Act of 1987. This language was deleted as it excludes other federal laws which require a protection and advocacy agency.
- (2) Deleted language on page 1, line 12, stating that the designated advocacy agency shall be independent of the State and shall contract with the State. This language was deleted as the legislature may need greater flexibility in appropriating funds in the future.
- (3) Deleted unnecessary language on page 2, line 2, "for the State".

Although your Committee on Judiciary supports the above amendments, concern was expressed regarding the exemption of chapter 92F, as established to protect the confidentiality of all records.

Your Committees on Health and Judiciary are in accord with the intent and purpose of S.B. No. 2851, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2851, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Hirono, Peters, Takamine, Tom and Ward.

SCRep. 1049-92 Health and Judiciary on S.B. No. 1419

The purpose of this bill, as received, is to appropriate funds to the Hawaii Disaster Medical Assistance Team (DMAT/Hi-1) to continue its operations based out of Maui.

Representatives from the following agencies testified in support of the bill: the Department of Health; Department of Transportation, Airports Division, Maui; Post Trauma Center of Maui; and the Disaster Medical Assistance Team (DMAT/Hi-1).

Representatives from the Hawaii Psychological Association, Hawaii Volcanoes National Park and various residents of the Big Island submitted testimony in support of State-wide funding to develop and maintain emergency response programs on all the islands.

In recognizing the need for the establishment of State-wide emergency response programs, your Committees have amended the bill by deleting its contents and substituting therefor the provisions of the original Senate Bill with the following amendments:

- (1) Language appropriating funds specifically to the Island of Hawaii has been deleted.
- (2) Specific reference to the Island of Hawaii has been deleted from the purpose so as to recognize the emergency response needs of all islands.
- (3) An additional section requests the Department of Health to submit an annual report to the State Legislature on the implementation of ACT 239, Session Laws of Hawaii 1990.

Your Committees on Health and Judiciary are in accord with the intent and purpose of S.B. No. 1419, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1419, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hirono, Peters, Thompson and Thielen.

SCRep. 1050-92 Judiciary on S.B. No. 2382

The purpose of this bill is to establish a permanent sterile needle and syringe exchange program to assist in preventing the spread of human immunodeficiency virus, the hepatitis B virus and other blood borne diseases.

Testimony in support of this measure was received from the Commission on Persons with Disabilities, the Governor's Committee on HIV/AIDS, the Sterile Needle Exchange Coalition, the Hawaii Medical Association, the Hawaii Public Health Association, the Big Island AIDS Project, the Hemophilia Foundation of Hawaii, the Hawaii Nurses' Association, the Drug Addiction Services of Hawaii, Inc., the Maui AIDS Foundation, the Life Foundation, dba AIDS Foundation on Oahu, and the State Department of Health.

Your Committee finds that the sterile needle and syringe exchange program was originally created to reduce the transmission of HIV by reducing the availability of contaminated units to the injection drug user (IDU) population. The program also includes substance abuse programs and provides a vital link to the IDU community by allowing for routine contact with public health workers.

This bill was amended as follows:

1. By requiring the reports by the Department of Health to include data on participants regarding referrals for HIV testing and counseling and for drug abuse treatment;
2. By requiring the reports by the Department of Health to include information on the percentage of persons served through programs funded for IDU's by the Department that was attributed to needle exchange referrals; and
3. By making technical, nonsubstantive amendments for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2382, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2382, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Peters and Ward.

SCRep. 1051-92 Education and Judiciary on S.B. No. 3432

The purpose of this bill is to:

- (1) Authorize the Department of Education (DOE) to accept donations of school equipment, fixtures, or supplies that are new and meet DOE specifications, and only if the donations are:
 - (a) Useful to enhance the physical environment or safety of a school; and
 - (b) A benefit to learning;
- (2) Specify that upon acceptance of the donation, the donation shall become the property of the DOE;
- (3) Require the DOE to maintain, manage, and repair the donation; and

- (4) Release donators from liability, upon claim for injury arising from the donated equipment.

The DOE, the Department of Accounting and General Services (DAGS), and the Hawaii Academy of Plaintiffs' Association (HAPA) testified in support of the intent of the bill. However, HAPA testified that it has serious concerns about provisions of the bill that provide complete immunity to those making donations of equipment, fixtures, and supplies to public schools. There is cause for concern about granting blanket immunity when donations come directly from manufacturers of equipment, as donations by manufacturers are often promotions for the products donated. Your Committees also received supporting testimony from the Hawaii State Teachers Association, the Hawaii Business Roundtable, the Chair of the Honolulu District School Advisory Council, and the Roosevelt High School PTSA.

Upon consideration, your Committees have amended the bill by:

- (1) Limiting donations to schools to equipment and fixtures only;
- (2) Requiring that donations to schools meet current educational specifications or exceed existing educational specifications in accordance with criteria established by the DOE, pursuant to Chapter 91, Hawaii Revised Statutes;
- (3) Stipulating that the repair and maintenance of donations be the responsibility of:
 - (a) DAGS for the repair and maintenance of donated fixtures; and
 - (b) The DOE for the repair and maintenance of donated equipment;
- (4) Providing that the limitation on liability does not extend to manufacturers of defective products nor to negligent persons who cause dangerous conditions; and
- (5) Making technical, nonsubstantive amendments for clarity.

Your Committees on Education and Judiciary are in accord with the intent and purpose of S.B. No. 3432, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3432, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Hagino, Hiraki, Hirono, Morihara, Peters, Santiago, Stegmaier, Takamine, O'Kieffe and Ward.

SCRep. 1052-92 Health on S.B. No. 2725

The purpose of this bill is to extend certain provisions of Act 223, Session Laws of Hawaii (SLH) 1990, to June 30, 1993. Specifically, this bill would authorize the administrators of Hilo Hospital and Maui General Hospital to continue to utilize methods of hospital management that decentralizes health care decision-making until the end of fiscal year 1992-1993.

Testimony was submitted by the Department of Health (DOH), the State Health Planning and Development Agency, Queen's Medical Center-West Hawaii, the State Advisory Council on Mental Health and Substance Abuse, and the Mental Health Association in Hawaii.

Your Committee has amended this bill by deleting its contents and substituting provisions regarding the establishment of a similar pilot project at the Hawaii State Hospital. As amended, the bill essentially provides as follows:

- (1) Authorizes the Director of Health to develop a pilot project for the autonomous operation of the Hawaii State Hospital and formulate policies for the operation thereof until June 30, 1995;
- (2) Allows the administrators of the Hawaii State Hospital to utilize fiscal and human resources in a flexible manner until June 30, 1995;
- (3) Allows any State agency, except the State Health Planning and Development Agency, to waive policies, rules, or procedures upon certification of the Director of Health that such waiver is necessary for timely compliance with the Settlement Agreement with United State Department of Justice pertaining to the Hawaii State Hospital;
- (4) Clarifies that nothing in the bill shall not supersede collective bargaining agreements, civil services rules, or adversely affect any employees of the Hawaii State Hospital;
- (5) Requires DOH, in conjunction with the State Advisory Council on Mental Health and Substance Abuse, and the Mental Health Association, to submit a final project completion report regarding the success of the pilot project to the Eighteenth Legislature of 1995;
- (6) Provides that the Act shall take effect upon approval and be repealed on July 1, 1995.

Your Committee believes that autonomous administrative authority at the Hawaii State Hospital will alleviate many of the bureaucratic problems which have hindered timely compliance with the aforementioned Settlement Agreement, and provide hospital administrators with the ability to develop and implement newer more responsive services to patients.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2725, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2725, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1053-92 Education on S.B. No. 2253

The purpose of this bill, as received by your Committee, is to create a steering committee to develop a multi-track, year-round system for public schools in West Hawaii.

INTRODUCTION

Before beginning the substantive discussion on this measure, your Committee would like to take this opportunity to make some preliminary comments to:

- (1) Set the tone for this committee report and for the Committee's activities for the remainder of this legislative session; and
- (2) Set forth some basic underlying assumptions, philosophies, and general observations that have guided this body for the past two sessions throughout the public hearing process, in deliberations and during the decision-making process.

THE COMMON GOAL

There is no issue before the Legislature that is more encompassing, more compelling, or more pervasive within the State than the issue of education. Legislators from both sides of the aisle agree that education permeates all segments of society. No individual is immune from the powerful effects of an educational system on all aspects of life. From the home to the neighborhood to the workplace to the school, education is a community issue.

In this regard, your Committee finds that it is very gratifying to be an integral part of a discussion in which all segments of our communities across the State, parents and other concerned individuals, teachers, religious representatives, administrators, corporate and small business leaders, public employees, union officials, elected leaders, and last but not least, the students themselves have come together to share ideas with a common goal:

To provide for an educational system which encompasses the principle of lifelong learning that helps each individual realize his or her fullest potential as a productive citizen and contributing member of society, and to assure the best quality of life for all people in Hawaii.

THE CHALLENGE

Education captures the hearts and minds of every member of society because inherent in any discussion on education is the future of Hawaii's children. Democrats, Republicans, and Independents alike agree that any investment in public education is an investment in Hawaii's future. This lifelong process requires the continued commitment of resources, effort, and support to help Hawaii's children to live in a world of continual change and challenge and to lead productive lives as positive contributors to society. Hawaii's public school system is vital in preparing Hawaii's children to develop the skills needed to function effectively in a rapidly changing, global, and interdependent society.

Hawaii's education system is faced with a formidable challenge, from the time the student walks through the school doors each year. Our schools must serve the needs of students and parents who are unable to speak English or who barely have enough money to subsist. Our schools must educate students from traditional two-parent families, dysfunctional families, and single-parent families. The needs of all students--including those with educational, emotional or physical disabilities, or exceptional capabilities--must be met.

THE STANDARD: "THE BEST INTERESTS OF THE STUDENT"

In characterizing the basic underlying objective that has guided this Committee as well as the other members of the House, the standard utilized by the State Family Court in all its policies, decisions, programs, and activities, from the adoption process to rehabilitative activities "the best interests of the child" was modified to "the best interests of the student."

In deliberations and discussions throughout this session and the prior session, and during the interim, your Committee reviewed all legislative measures introduced, and listened to comments made at public hearings on Oahu and the neighbor islands. Before making hard decisions, the same question was, and continues to be asked at every step of the process: Is this in "the best interests of the student?"

Your Committee recognizes that the key to student success is Hawaii's teachers. A teacher must be able to not only teach effectively, but also be able to motivate, encourage, and stimulate students to higher levels of educational achievement. Teachers are the "nuts and bolts" of the educational system. On each school day, teachers are expected to meet the standard of "the best interests of the student."

Indeed, teaching is a challenging and, frequently, frustrating profession. The hours of a teacher's day never seem to be enough to accomplish all that is expected in terms of teaching, counseling, and motivating students. For most teachers, the days in the school year pass very swiftly.

Included in most, if not all, of your Committee's formal and informal discussions on the State's teaching force was a component that recognizes the evolving role and responsibility of the principals, who are the true leaders of our educational system. It is the principal who must lead and motivate teachers and other support personnel as well as each student in a school complex. It is the principal who must adapt and implement more school-based decision-making, while at the same time juggle administrative responsibilities inherent in the public school system. It is the principal who sets the tone and direction of the school campus. And it is the principal who is accountable for the standard of "the best interests of the student," and for the achievement of a school's population.

THE COMMUNITY RESPONSE

Your Committee notes that this year, perhaps even more so than in previous legislative years, the issue of education has generated widespread community interest and involvement in matters concerning public school education. Education has transcended the great public divide to unify and rally the community around a common concern and to work toward a common goal. All can and have agreed upon a common goal--"the best interests of the student." Disagreements have surfaced during discussion on specific policies, programs, directions, and levels of funding. And again, it should be reiterated that despite diverse public opinion on the mechanics of how to improve the quality and effectiveness of public education in the State, the community has been unified in one respect--by its efforts to enhance student lifelong learning and achievement.

Education has been discussed and debated at length in all states in the union for the past decade, during which critical nationwide studies and findings were synthesized and released. The fact of the matter is that there is no one, quick cure-all for the problems and concerns that beset education in Hawaii, or for that matter, the nation.

There are no simple answers for creating an educational system that is responsive to the needs and challenges of an ever-changing society. Immediate responses to programs and policies are not to be expected. Education is a process of continual change. Education should be a flexible and responsive process. Education is a process that respects and welcomes the opinions and recommendations of all. Education is a process that encourages change and innovation where necessary, and retention of policies and programs that work.

THE STRATEGY

Before enumerating the actual revisions made to this particular measure, your Committee wishes to note that this measure, in and of itself, should not be viewed as the sole vehicle to implement change and to encourage innovation. Rather, this measure should be viewed as complementary to all other bills and resolutions that are still under consideration in both the House and Senate chambers at the present time. This measure should also be viewed as a vehicle for other ideas and recommendations that may evolve during the remainder of this session, keeping in mind the developing fiscal constraints.

SUBSTANTIVE REVISIONS

Your Committee has amended the bill by deleting its substance and inserting new material, the purpose of which is to establish three programs to be administered by the Board of Education:

- (1) The Business Manager Pilot Program;
- (2) The Year-Round School Program; and
- (3) The Extended School Day Pilot Program.

The Business Manager Pilot Program will be established within certain areas. The Board of Education will be responsible for deciding which high schools will participate in the pilot program after consulting with interested schools.

The Year-Round School Program will allow qualified schools to hold classes throughout the year, subject to State collective bargaining provisions. The Board of Education will be responsible for developing a master plan establishing the criteria necessary to work with interested schools and the community to participate in this program.

The Extended School Day Pilot Program will accelerate the voluntary experimentation of schools offering a longer school day for students, subject to State collective bargaining provisions. The Board of Education will be responsible for developing the criteria necessary to work with interested schools and the community to participate in this program, including, but not limited to, recruitment, program structure, and implementation.

Your Committee has added a new section to chapter 296, Hawaii Revised Statutes, to enumerate policies for schools, expressed as principles for governing the public schools. Your Committee has further amended this bill to add two proposed constitutional amendments:

- (1) To remove from the powers of the board of education the board's jurisdiction over the internal organization and management of the public schools by amending Article X, Section 3, of the Constitution of the State of Hawaii; and
- (2) To require the Governor to conduct a public hearing to explain any proposed vetoes, cuts, or restrictions in the Department of Education's budget and to receive public input on the proposed changes by amending Article VII, Section 8, of the Constitution of the State of Hawaii.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2253, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2253, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Hashimoto, Santiago, Stegmaier and O'Kieffe.

SCRep. 1054-92 Judiciary on S.B. No. 2335

The purpose of this bill is to make housekeeping amendments to the laws relating to campaign contributions and expenditures.

Testimony in support of this bill was submitted by the League of Women Voters, the Campaign Spending Commission, the State Tax Department, and a private citizen.

This bill was amended by:

1. Requiring loans to candidates to be made at the usual and customary interest rates;
2. Inserting an application deadline of 45 days for persons to apply for matching public funds;
3. Inserting language that would place January 20th of the year following the election as the deadline for filing a final primary report;
4. Amending section 11-218(b) so that for it reads that the maximum amount of public funds available to a candidate for the office of state senator, state representative, county council member, prosecuting attorney, board of education, and all other offices shall not exceed \$500;
5. Deleting subsection 26 on pages 26-27;
6. Deleting subsection 29 on page 29;
7. Deleting section 3 on pages 29-30; and
8. Making technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2335, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2335, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Peters, Takamine and Ward.

SCRep. 1055-92 Water, Land Use, and Hawaiian Affairs and Judiciary on S.B. No. 2392

The purpose of this bill is to extend the tolling date of the statute of limitations relating to the Native Hawaiian Trusts Judicial Relief Act (Chapter 673, Hawaii Revised Statutes) from July 1, 1990 to July 1, 1992. Such an amendment would have the effect of permitting individuals up to June 30, 1994, instead of June 30, 1992, to bring an action in the circuit courts to resolve controversies relating to the Hawaiian Home Lands Trust and the Native Hawaiian Public Trust.

The Office of State Planning (OSP), the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation (NHLC), and the Department of Commerce and Consumer Affairs' (DCCA) Hawaiian Home Lands Trust Individual Claims Review Panel (Individual Claims Panel) testified in support of this bill.

According to OSP, the NHLC had raised concerns regarding the impact that the tolling period would have on beneficiaries of the Hawaiian Home Lands Trust. Specifically, NHLC contended that the work schedule of the Land Claims Task Force might force beneficiaries to file legal challenges prior to knowing the outcome of the Task Force's recommendations. In order to ensure that the courts would not rule against any beneficiaries on technical grounds, the NHLC requested that the tolling period be extended to coincide with the expected completion date of the Task Force's work.

According to testimony, Chapter 674, Hawaii Revised Statutes (HRS), established the Individual Claims Panel to hear claims by individual beneficiaries of the Hawaiian Home Lands Trust who have claims against the State for trust breaches which occurred during the period from August 21, 1959 through June 30, 1988. According to DCCA, since the Individual Claims Panel has yet to be appointed, there will not be sufficient time for beneficiaries to file their claims by August 31, 1993. For this reason, some testifiers supported amending Chapter 674, HRS, to extend the filing date by an additional year.

Your Committees concur with the testimony and have amended this bill by inserting eight new sections which would:

- (1) Give beneficiaries an additional year to file their claims with the Individual Claims Panel; and
- (2) Adjust other time periods contained in Chapter 674 for consistency purposes.

Your Committees on Water, Land Use, and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of S.B. No. 2392, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2392, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1056-92 Water, Land Use, and Hawaiian Affairs and Judiciary on S.B. No. 2301

The purpose of this measure is to appropriate an unspecified sum to the Office of Hawaiian Affairs (OHA) for the establishment of an alternative dispute resolution center to meet the needs of Native Hawaiians and Hawaiians by utilizing indigenous values and techniques of conflict resolution.

Your Committees received favorable testimony on this measure from OHA, which cited the successful experience of similar programs which it had established at both the Oahu Community Correctional Center and the Women's Community Correctional Center.

Upon further consideration, your Committees have amended this measure by deleting reference to the establishment of a Dispute Resolution Board. It is the consensus of your Committees and of OHA that the governance of the dispute resolution center is more appropriately left directly to OHA.

Your Committees on Water, Land Use, and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of S.B. No. 2301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2301, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1057-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 3216

The purpose of this measure is to appropriate an unspecified sum for acquisition of title to real property around the Kamehameha Birth Site and Mo'okini Heiau on the island of Hawaii.

The Native Hawaiian Historic Preservation Council of the Office of Hawaiian Affairs and Mo'okini Luakini, Inc. testified in support of the bill, but urged your Committee to reinsert provisions to acquire other lands needed to protect the nearby Lono and Kane Heiau. The Department of Land and Natural Resources acknowledged the importance of the site, while declining to support the measure out of concern for the department's budget priorities. Chalton International of Hawaii, Inc., the owner of most of the land in question, suggested land exchange as an alternative to acquisition.

Your Committee notes that the Mo'okini Heiau is one of the most sacred sites in traditional Native Hawaiian culture, and in 1963 became the first federally-recognized historic site in the State. Your Committee further finds that acquisition is necessary to preserve the site from the threat to its integrity posed by potential development. Although your Committee recognizes the value of other nearby sites, fiscal responsibility dictates that acquisition of those sites be deferred at the present time.

Non-substantive amendments have been made to this 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 S.B. No. 3216, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3216, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1058-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2735

The purposes of this bill are

- (1) To prohibit future residential and agricultural uses in conservation districts, except on Kuleana land, without the approval of the Board of Land and Natural Resources (BLNR); and
- (2) To clarify statutory language relating to forest and water reserve zones.

Testimony supporting this measure was presented by the Department of Land and Natural Resources (DLNR) and a private citizen.

Upon further consideration, your Committee has amended this bill to conform with the language contained in House Bill No. 2330, H.D. 1. As amended, the bill also eliminates the statutory goal of encouraging the highest economic use in the establishment of permitted uses in subzones within the forest and water reserve zones. Non-substantive, technical amendments have also been made 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 S.B. No. 2735, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2735, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bunda, Santiago, Stegmaier and O'Kieffe.

SCRep. 1059-92 Water, Land Use, and Hawaiian Affairs and Judiciary on S.B. No. 3486

The purpose of this measure is to establish a law on Hawaiian sovereignty which:

- (1) Describes the illegal overthrow of the Hawaiian monarchy and annexation of the Hawaiian islands by the United States, as well as the consequences of these events for Hawaii's indigenous people;
- (2) Provides that the citizens of the State of Hawaii recognize the inherent right of the indigenous Hawaiian people to sovereignty, and support the efforts to establish a sovereign Hawaiian government with such powers and resources as determined by the indigenous Hawaiian people; and
- (3) Provides that the citizens of the State of Hawaii call upon the U.S. government to recognize and assist in the reestablishment of a sovereign indigenous Hawaiian government, while stipulating some of the requirements of U.S. redress.

Testimony in support of this measure was submitted by the Native Hawaiian Legal Corporation, Ka Pakaukau, and a private citizen. The Office of Hawaiian Affairs and another private citizen also testified in favor of the measure, while recommending that it be amended to establish a Task Force on Sovereignty similar to that which would have been established by House Bill No. 3662, H.D. 1.

Your Committees find that this bill represents an important affirmation of support for Native Hawaiian sovereignty and acknowledgement of the historical, legal, and moral justifications therefor. Your Committees concur with the testimony of the Native Hawaiian Legal Corporation and Ka Pakaukau that this bill is most appropriately left unencumbered with provisions to establish advisory bodies or to appropriate funds.

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

Your Committees on Water, Land Use, and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of S.B. No. 3486, S.D. 1 as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3486, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 1060-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2407

The purposes of this bill are to appropriate an unspecified sum to commemorate the life, achievements, and overthrow of Queen Liliuokalani, and to establish a commission to coordinate this commemoration.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs (OHA) and a private citizen.

Your Committee has amended the bill by:

- (1) Inserting an appropriation sum of \$500,000;
- (2) Providing that of the \$500,000 appropriation, \$25,000 shall be expended on a traveling dramatic production;
- (3) Providing that of the \$500,000 appropriation, \$75,000 shall be expended to commission a musical composition, as well as to produce a documentary film on the making of the composition;
- (4) Permitting OHA to supplement this appropriation with private funding; and
- (5) Changing the approval date to allow the commission to begin its work upon the approval of this measure.

Your Committee feels that the dramatic and musical productions will represent a lasting legacy of the commemoration, and will be a fitting tribute to the life of Queen Liliuokalani.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2407, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2407, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bunda.

SCRep. 1061-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2855

The purposes of this measure are to appropriate funds and provide additional means for compensating the Hawaiian Home Lands Trust for the State's past wrongful, improper or unauthorized withdrawals, transfers, takings, or uses of Hawaiian home lands which occurred from August 21, 1959 to the present, and to authorize the State to pursue claims against the federal government.

Testimony on this measure was submitted by the Office of State Planning, the Department of Hawaiian Home Lands (DHHL), the Office of Hawaiian Affairs, and a private citizen.

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

- (1) Increasing the \$12,000,000 compensation amount in section 3 of the bill to \$24,100,000, which represents the compensation based on the residential mortgage interest rate, and includes a late payment assessment as well as estimated compensation and interest for the period from January 1, 1985 through June 30, 1992;
- (2) Appropriating an additional \$8,502,000 to enable the State to make "upfront" lump sum payments for acquiring interests less than fee simple absolute in Hawaiian Home Lands in order to allow for continued public use;
- (3) Extending the deadline by which DHHL may purchase certain public lands identified in section 4(d) of the bill, from December 31, 1993, to December 31, 1994;
- (4) Deleting the \$25,000,000 capital improvements appropriation made in section 9 of the bill, because this duplicates an appropriation contained in House Bill No. 2922, H.D. 2, which was passed by the House and transmitted to the Senate; and
- (5) Making technical, non-substantive amendments for the purposes of style and clarity.

Your Committee finds that these appropriations represent a more adequate compensation for the State's breaches of trust, and are long overdue even in light of current fiscal uncertainties. Your Committee does wish to note, however, that it considers the \$24,100,000 appropriation contained in section 3 of the bill to constitute only a minimum payment.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2855, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2855, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bunda.

SCRep. 1062-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2485

This bill adds a new section to Chapter 10, Hawaii Revised Statutes (HRS), and amends Section 10-2, HRS. Its purpose is to ensure that the Office of Hawaiian Affairs (OHA) realizes twenty percent of the revenue derived from any land of the Public Land Trust conveyed by the Department of Land and Natural Resources (DLNR) to the Housing Finance and Development Corporation (HFDC) for the development of housing projects as defined under Section 201E-2, HRS, as is entitled to OHA pursuant to Section 10-13.5, HRS.

Testimony was received from OHA, HFDC, DLNR, the Native Hawaiian Legal Corporation, and the Office of State Planning (OSP).

Your Committee acknowledges that there are ambiguities in the interpretation of the statutory provision relating to OHA's revenue entitlement upon transfers of lands of the Public Land Trust for purposes of development by HFDC of a housing project as defined under Section 201E-2, HRS.

Your Committee has thus amended this bill to provide for the following:

- (1) OHA shall receive revenue derived from any land of the Public Land Trust which is conveyed for the development of housing projects as defined under Section 201E-2, HRS, which shall be determined by multiplying the fair market value of the land by twenty percent;
- (2) Fair market value means the value of the land, based on the uses of the land as set forth in the development agreement between HFDC and the developer for the development of a housing project as defined under Section 201E-2, HRS. The fair market value shall be determined on a per acre basis pursuant to appraisals performed not more than ninety days following the execution of the development agreement, by two disinterested appraisers contracted by DLNR and OHA;
- (3) If the land is sugarcane land and of the Public Land Trust, as defined in Section 10-2, DHHL and OHA shall contract the services of one appraiser;
- (4) Payment of the amount due OHA shall be made by the State within an unspecified period following agreement on the appraised value, and be in the form of public lands or moneys. Any portion of the amount due which is not paid within the unspecified period following agreement on the appraised value shall be subject to a five percent simple interest a year payment by the State to OHA; and
- (5) The "revenue" derived from lands of the Public Land Trust which OHA is entitled to receive from the development of housing projects as defined under Section 201E-2, HRS, only includes moneys provided for by Section 1 of this bill.

It is noted that off-site costs of the housing project are not intended to be charged, for appraisal purposes, to the land which is the subject of development by HFDC of a housing project as defined under Section 201E-2, HRS.

Following the hearing on this bill, your Committee has convened meetings attended by the affected parties, including OHA, DHHL, DLNR, HFDC, and OSP. It is the understanding of your Committee that all such affected parties have consented to the above provisions.

Your Committee has also amended this bill by amending Section 10-9, HRS, to provide that members of the board of OHA shall receive compensation equal to the amount of the legislative salary to be established pursuant to Article III,

Section 9 of the State Constitution by the next commission on legislative salary which convenes following the effective date of this bill. This salary shall replace the current provision for compensation of \$100 a day for each day's actual attendance at meetings.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2485, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2485, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Santiago, Stegmaier and O'Kieffe.

SCRep. 1063-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2638 (Majority)

This bill adds a new section to Chapter 171, Hawaii Revised Statutes (HRS). Its purpose is to:

- (1) Ensure that the Department of Hawaiian Home Lands (DHHL) realizes income from the transfer of former sugarcane lands as set forth in Article XII, Section 1 of the State Constitution; and
- (2) Establish a formula by which DHHL receives its revenue entitlements arising out of disposition of sugarcane lands by the Department of Land and Natural Resources (DLNR) to the Housing Finance and Development Corporation (HFDC) for the development of housing projects as defined under Section 201E-2, HRS.

Testimony was received from DHHL, HFDC, DLNR, the Native Hawaiian Legal Corporation, and the Office of State Planning (OSP).

Your Committee acknowledges that there are ambiguities in the interpretation of the constitutional provision relating to DHHL's entitlement upon transfers of sugarcane lands for purposes of development by HFDC of a housing project as defined under Section 201E-2, HRS.

Your Committee has thus amended this bill to provide for the following:

- (1) DHHL shall receive revenue derived from lands previously cultivated as sugarcane lands under any provision of law which are conveyed for the development of housing projects as defined under Section 201E-2, HRS. The amount DHHL shall receive is determined by multiplying the fair market value of the land by thirty percent;
- (2) Fair market value means the value of the land, based on the uses of the land as set forth in the development agreement between HFDC and the developer for the development of a housing project as defined under Section 201E-2, HRS. The fair market value shall be determined on a per acre basis pursuant to appraisals performed not more than ninety days following the execution of the development agreement, by two disinterested appraisers contracted by DLNR and DHHL;
- (3) If the land is sugarcane land and of the Public Land Trust, as defined in Section 10-2, DHHL and the Office of Hawaiian Affairs (OHA) shall contract the services of one appraiser; and
- (4) Payment of the amount due DHHL shall be made by the State within an unspecified period following agreement on the appraised value, and be in the form of public lands or moneys. Any portion of the amount due which is not paid within the unspecified period following agreement on the appraised value shall be subject to a five percent simple interest a year payment by the State to DHHL.

It is noted that off-site costs of the housing project are not intended to be charged, for appraisal purposes, to the land which is the subject of development by HFDC of a housing project as defined under Section 201E-2, HRS.

Following the hearing on this bill, your Committee has convened meetings attended by the affected parties, including OHA, DHHL, DLNR, HFDC, and OSP. It is the understanding of your Committee that all such affected parties have consented to this bill.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2638, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2638, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Santiago, Stegmaier and O'Kieffe.
(Representative Alcon did not concur.)

SCRep. 1064-92 Consumer Protection and Commerce on S.B. No. 2684

The purpose of this bill is to stipulate that experiential requirements for dispensing optician license applicants shall be designated by the Board of Dispensing Opticians through its administrative rules.

Supportive testimony was submitted by the Board of Dispensing Opticians (Board).

Your Committee finds that during the interim prior to the Regular Session of 1992, the Board conducted a review of the licensure requirements for dispensing opticians to study the feasibility of establishing a training program for applicants. This review was undertaken in response to concerns that the current experiential requirement of three years may possibly be outdated in comparison to national standards.

Although your Committee notes that the provisions of this bill, as received, would provide the Board the flexibility to adopt new licensure standards quickly, your Committee believes that the continued existence of explicit statutory requirements on the prior work experience of dispensing optician license applicants is necessary for the protection of the consuming public.

In addition, your Committee has learned that a recent study by a national apprenticeship and training standards organization recommended that a two-year work experience requirement be established while the Board develops its training program for dispensing optician license applicants.

Accordingly, your Committee has amended this bill by requiring all applicants to acquire at least two years of apprenticeship experience prior to the issuance of a dispensing optician license. Technical, nonsubstantive revisions were also made for purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2684, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1065-92 Intergovernmental Relations and International Affairs and Labor and Public Employment on H.C.R. No. 94

The purpose of this concurrent resolution is to urge Hawaii's Congressional delegation to investigate the feasibility of easing restrictions on the immigration of citizens from the Philippines who come to the United States as domestic and agricultural workers.

Testimony in favor of the concurrent resolution was received from the State Department of Labor and Industrial Relations.

Your Committees on Intergovernmental Relations and International Affairs and Labor and Public Employment concur with the intent and purpose of H.C.R. No. 94 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1066-92 Intergovernmental Relations and International Affairs and Health on H.R. No. 37 (Majority)

The purpose of this resolution is to:

- (1) Urge the President of the United States and Congress to rescind the ban imposed by the Food and Drug Administration (FDA) on importation for personal use of RU-486, the antiprogestosterone steroid mifepristone; and
- (2) Support the use of RU-486 and other related agents for all appropriate research and, if indicated, clinical trials.

Your Committees find that RU-486, a potentially life-saving drug, must be allowed to be researched and tested in the United States in order to fully explore its capabilities. Access to this drug in the United States has been severely hampered, however, because of its use in terminating early pregnancies in a safe, effective way under the supervision of a physician. Using the FDA's ban on RU-486, those who are against the right to choose an abortion are determined to make abortion as inaccessible and as difficult as possible.

Although the FDA's ban is only on personal use, appropriate research on RU-486 has been effectively stifled. Lifting of the ban will not only grant Americans access to a safe, effective, and non-invasive treatment for the termination of early pregnancy, but will also spur continued research of RU-486 as a treatment for medical conditions such as Cushing's syndrome, some breast and brain cancers, prostate cancer, endometriosis, ovarian cancer, osteoporosis, and AIDS.

RU-486 is presently a hostage to a small but powerful anti-choice minority. Ideology should have no place in medical research. Research, testing, licensing, and distribution of RU-486 should be based on its safety, scientific merit, and potential medical benefits, and not on social and political factors.

Extensive testimony in strong support of this resolution was received from the Hawaii Medical Association, the Hawaii Nurses' Association, the Hawaii Public Health Association, the Hawaii State Commission on the Status of Women, the League of Women Voters of Hawaii, the American Association of University Women, the Hawaii Women's Political Caucus, Planned Parenthood of Hawaii, and many other organizations and individuals. Testimony against passage of this resolution was received from Concerned Women for America of Hawaii and Hawaii Right to Life.

Your Committees on Intergovernmental Relations and International Affairs and Health concur with the intent and purpose of H.R. No. 37 and recommend its adoption.

Signed by all members of the Committees except Representative Peters.
(Representative Ward did not concur.)

SCRep. 1067-92 Intergovernmental Relations and International Affairs and Health on H.C.R. No. 34 (Majority)

The purpose of this concurrent resolution is to:

- (1) Urge the President of the United States and Congress to rescind the ban imposed by the Food and Drug Administration (FDA) on importation for personal use of RU-486, the antiprogesterone steroid mifepristone; and
- (2) Support the use of RU-486 and other related agents for all appropriate research and, if indicated, clinical trials.

Your Committees find that RU-486, a potentially life-saving drug, must be allowed to be researched and tested in the United States in order to fully explore its capabilities. Access to this drug in the United States has been severely hampered, however, because of its use in terminating early pregnancies in a safe, effective way under the supervision of a physician. Using the FDA's ban on RU-486, those who are against the right to choose an abortion are determined to make abortion as inaccessible and as difficult as possible.

Although the FDA's ban is only on personal use, appropriate research on RU-486 has been effectively stifled. Lifting of the ban will not only grant Americans access to a safe, effective, and non-invasive treatment for the termination of early pregnancy, but will also spur continued research of RU-486 as a treatment for medical conditions such as Cushing's syndrome, some breast and brain cancers, prostate cancer, endometriosis, ovarian cancer, osteoporosis, and AIDS.

RU-486 is presently a hostage to a small but powerful anti-choice minority. Ideology should have no place in medical research. Research, testing, licensing, and distribution of RU-486 should be based on its safety, scientific merit, and potential medical benefits, and not on social and political factors.

Extensive testimony in strong support of this concurrent resolution was received from the Hawaii Medical Association, the Hawaii Nurses' Association, the Hawaii Public Health Association, the Hawaii State Commission on the Status of Women, the League of Women Voters of Hawaii, the American Association of University Women, the Hawaii Women's Political Caucus, Planned Parenthood of Hawaii, and many other organizations and individuals. Testimony against passage of this concurrent resolution was received from Concerned Women for America of Hawaii and Hawaii Right to Life.

Your Committees on Intergovernmental Relations and International Affairs and Health concur with the intent and purpose of H.C.R. No. 34 and recommend its adoption.

Signed by all members of the Committees except Representative Peters.
(Representative Ward did not concur.)

SCRep. 1068-92 Housing and Intergovernmental Relations and International Affairs on H.R. No. 86

The purpose of this House resolution is to request a reassessment of the administration and overall effectiveness of the section 8 certificate or voucher program.

Testimony was submitted by the Hawaii Housing Authority, the Honolulu Community Action Program Inc. and the City and County of Honolulu.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 86 and recommend its adoption.

Signed by all members of the Committees except Representatives Hirono and Peters.

SCRep. 1069-92 Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 83

The purpose of this concurrent resolution is to request a reassessment of the administration and overall effectiveness of the Section 8 certificate of voucher program.

Testimony was submitted by Hawaii Housing Authority, the Honolulu Community Action Program, Inc. and the City and County of Honolulu.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 83 and recommend its adoption.

Signed by all members of the Committees except Representative Peters.

SCRep. 1070-92 Intergovernmental Relations and International Affairs on H.R. No. 114

The purpose of this resolution is:

- (1) To request the Department of Taxation to draft proposed legislation to repeal Chapter 246, Hawaii Revised Statutes, including appropriate conforming amendments to Chapter 234 and any other chapter which makes reference to Chapter 246 in the Hawaii Revised Statutes; and

- (2) To request the Department of Taxation to submit the proposed legislation for consideration by the Legislature during the Regular Session of 1993.

Your Committee finds that the continued existence of Chapter 246 of the Hawaii Revised Statutes is presently creating difficulties, problems, and misunderstandings in regards to the assessment and collection of real property taxes by the State. Repeal of the chapter will help to eliminate any such conflicts and confusion.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.R. No. 114 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1071-92 Intergovernmental Relations and International Affairs on H.C.R. No. 107

The purpose of this concurrent resolution is:

- (1) To request the Department of Taxation to draft proposed legislation to repeal Chapter 246, Hawaii Revised Statutes, including appropriate conforming amendments to Chapter 234 and any other chapter which makes reference to Chapter 246 in the Hawaii Revised Statutes; and
- (2) To request the Department of Taxation to submit the proposed legislation for consideration by the Legislature during the Regular Session of 1993.

Your Committee finds that the continued existence of Chapter 246 of the Hawaii Revised Statutes is presently creating difficulties, problems, and misunderstandings in regards to the assessment and collection of real property taxes by the State. Repeal of the chapter will help to eliminate any such conflicts and confusion.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.C.R. No. 107 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1072-92 Intergovernmental Relations and International Affairs on H.R. No. 60

The purpose of this resolution is to respectfully urge the business community to consider sponsoring foreign business interns in the International Association of Students in Economics and Commerce (AIESEC) Hawaii Traineeship Exchange Program.

Your Committee finds that the AIESEC exchange program is a valuable vehicle for expanding global awareness and appreciation of other cultures. Support for such programs is necessary for their continuation.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.R. No. 60 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1073-92 Intergovernmental Relations and International Affairs on H.C.R. No. 56

The purpose of this concurrent resolution is to respectfully urge the business community to consider sponsoring foreign business interns in the International Association of Students in Economics and Commerce (AIESEC) Hawaii Traineeship Exchange Program.

Your Committee finds that the AIESEC exchange program is a valuable vehicle for expanding global awareness and appreciation of other cultures. Support for such programs is necessary for their continuation.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1074-92 Consumer Protection and Commerce on S.B. No. 2784

The purpose of this bill is to extend the time period for a secured party to record the security interest in a purchase money security interest from ten to twenty days.

Your Committee received testimony in support of the bill from the Hawaii Financial Services Association, Inc. The Commissioner of Financial Institutions also testified on the bill, and had no objections to the bill.

Currently, 38 states have extended the time within which the secured party must record the security interest from ten to twenty days. Adoption of the twenty-day period here in Hawaii will be in keeping with the national trend, and will put Hawaii in conformity with the majority of states.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2784 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1075-92 Consumer Protection and Commerce on S.B. No. 2681

The purpose of this bill is to increase the membership of the Board of Examiners in Naturopathy from three members to five members. This bill also repeals Section 455-5, Hawaii Revised Statutes, relating to the organization of the Board, removing provisions relating to quorum and pay. Provisions relating to election of officers is moved to Section 455-4, Hawaii Revised Statutes.

Your Committee heard testimony in support of this measure from the State Board of Examiners in Naturopathy.

Your Committee finds that the proposed increase in the number of Board members would provide the Board with a larger diversity of perspectives and ideas on which to base their decision-making. Your Committee further finds that the Board of Examiners in Naturopathy is currently the only regulatory Board within the Department of Commerce and Consumer Affairs that has fewer than five members. This bill will make the composition of the Board consistent with other regulatory boards.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2681 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1076-92 Consumer Protection and Commerce on S.B. No. 2431

The purpose of the bill is to remove the business of debt adjusting from the sunset law.

Your Committee received testimony in support of the bill from the Legislative Auditor.

Currently, the sunset law schedules Chapter 446, Hawaii Revised Statutes, for repeal on December 31, 1992. Normally this would trigger a sunset evaluation of the regulatory program by the Legislative Auditor. However, no regulatory program was actually ever established. Chapter 446 actually prohibited the business of debt adjusting. Therefore there is no regulatory program for the Auditor to evaluate. This bill will remove the reference to it in the sunset law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2431, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1077-92 Consumer Protection and Commerce on S.B. No. 3272

The purpose of this bill is to permit a limited form of interstate banking where there is a failing state-chartered bank, savings and loan or federally insured financial services loan company.

Your Committee received testimony in support of the bill from the Commissioner of Financial Institutions.

A primary purpose of the bill is to protect Hawaii depositors in the event there is a failing financial institution in the State and no other federally insured and qualified institution in the State is eligible to assume deposits or to purchase all assets and liabilities of the failing institution. In that limited circumstance, the Commissioner will have the flexibility to seek an out-of-state acquirer. In the event a qualified federally insured institution with its principal place of business in Hawaii purchases the failing institution, no interstate acquirer will be sought or permitted.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3272, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1078-92 Consumer Protection and Commerce on S.B. No. 2680

The purpose of this bill is to extend the term of appointment to the State Board of Acupuncture from two to four years, with a maximum of eight consecutive years rather than four years, consecutive or otherwise.

Your Committee received supporting testimony from the State Board of Acupuncture.

Your Committee believes that, by extending the terms, continuity and better regulatory expertise will result.

In addition, the language of this bill will permit Board members appointed to the Board prior to July 1, 1992 to continue to serve on the Board until such time a maximum of eight consecutive years from the date of initial appointment, had been obtained.

The bill will also conform Board member terms for the Board of Acupuncture to the terms of other professional and vocational boards and commissions within the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2680 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1079-92 Consumer Protection and Commerce on S.B. No. 2688

The purpose of this bill is to make several housekeeping amendments to the licensing chapter for engineers, architects, and surveyors.

Your Committee received testimony in support of the bill from State Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board) and the Hawaii State Council of the American Institute of Architects.

The bill includes the following provisions:

- (1) Clarifies the Board's rule-making authority;
- (2) Allows architectural and land surveying applicants to qualify for licensure with part-time experience; and
- (3) Clarifies the Board's authority to determine the qualifications that applicants licensed in other states must meet.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2688 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. 1080-92 Consumer Protection and Commerce on S.B. No. 2698

The purpose of this bill is to clarify the definition of "collection agency" by removing language that exempts from regulation any "person doing business subject to public supervision and regulation."

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs ("DCCA").

Your Committee finds that the DCCA is best suited to regulate persons engaged in collection agency activities, notwithstanding regulation by other agencies. This bill makes it clear that all collection agencies come within the jurisdiction of the DCCA.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2698 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. 1081-92 Consumer Protection and Commerce on S.B. No. 2700

The purpose of this bill is to allow service of process on a corporation by registered or certified mail when personal service cannot be effected within the State.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs ("DCCA").

The bill amends section 415-14, Hawaii Revised Statutes, by deleting provisions permitting service of process upon the Director of the DCCA, and adding provisions based on the Revised Model Corporation Act, which allow service of process by registered or certified mail, return receipt requested, to the secretary of the corporation at its principal office.

Your Committee believes that this bill will simplify the service of process upon corporations and eliminate the burdensome processing and recordkeeping requirements now applicable to the Director.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2700 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. 1082-92 Consumer Protection and Commerce on S.B. No. 2682

The purpose of this bill is to include the time sharing program under the Hawaii Regulatory Licensing Reform Act, with a sunset of December 31, 1993.

Your Committee finds that providing for a sunset will assure that the Legislative Auditor will evaluate the program with a view towards recommendations for improvement. The program has existed since 1980 without a sunset review.

You Committee heard testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2682 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. 1083-92 Human Services on S.B. No. 2720

The purpose of this bill is to allow the Director of Health to waive the residency capacity from two to five adults in adult foster homes.

Your Committee received favorable testimony from the Director of the Department of Health; the State Planning Council on Developmental Disabilities; and a Masters of Social Work student at the University of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2720, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 1084-92 Intergovernmental Relations and International Affairs on S.C.R. No. 25

The purpose of this concurrent resolution is to request and urge Hawaii's congressional delegation to strongly support the reauthorization of the federal Small Business Innovation Research (SBIR) program beyond its current expiration date in 1993.

Your Committee finds that the SBIR program has been an important source of funding for many small, high technology companies that operate in the State of Hawaii. The program helps fund research and development by small, innovative and entrepreneurial firms that will contribute to Hawaii being on the competitive edge of high technology. Continuation of the SBIR program will be of immense benefit in encouraging innovation and creativity by small, high technology companies.

Testimony in strong support of this concurrent resolution was received from the United States Small Business Administration; the National Federation of Independent Business; the Hawaii Technology Development Corporation; Hawaii Biotechnology Group, Inc.; and SETS Technology, Inc.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of S.C.R. No. 25 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1085-92 Housing and Planning and Economic Development on S.B. No. 2566

The purpose of this bill to amend the Hawaii State Planning Act to emphasize the roles of the State and private sectors in developing affordable housing, including affordable rental housing.

Testimony in support for the measure was submitted by the Office of State Planning.

Your Committees have amended this bill by:

- (1) Clarifying that the Office of State Planning provides for public and private collaboration in the development of affordable housing and affordable rental housing for the very low-, low- and moderate-income populations; and
- (2) Making technical and nonsubstantive revisions for the purpose of clarity and style.

Your Committees on Housing and Planning and Economic Development are in accord with the intent and purpose of S.B. No. 2566, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2566, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Peters.

SCRep. 1086-92 Education on H.R. No. 143

The purpose of this resolution, as received by your Committee, is to request the House Committee on Education to convene a task force for a comprehensive review of special education programs in the State of Hawaii.

Your Committee has amended the resolution by deleting the substance and inserting new material, the purpose of which is to request the Department of Education (DOE), in conjunction with the State Planning Council on Developmental

Disabilities (Council), to implement the special education program recommendations of the Northwest Regional Educational Laboratory.

Upon consideration, your Committee has amended this measure by:

- (1) Amending the above-referred title: "REQUESTING THE COMMITTEE ON EDUCATION OF THE HOUSE OF REPRESENTATIVES TO CONVENE A TASK FORCE FOR THE COMPREHENSIVE REVIEW OF SPECIAL EDUCATION PROGRAMS IN THE STATE OF HAWAII" to read as follows: "REQUESTING THE DEPARTMENT OF EDUCATION TO IMPLEMENT THE SPECIAL EDUCATION PROGRAM RECOMMENDATIONS OF THE NORTHWEST REGIONAL EDUCATIONAL LABORATORY";
- (2) Changing the purpose of this resolution by requesting that the DOE, in conjunction with the Council, implement the recommendations submitted to the DOE by the North Regional Educational Laboratory;
- (3) Replacing the reference "children who are handicapped" with "children with disabilities";
- (4) Replacing the reference "children who are mentally handicapped" with "children with mental disabilities";
- (5) Deleting any provisions referring to the duties and membership of the proposed task force as well as what should be included in the review to be conducted by the proposed task force;
- (6) Requesting that the DOE submit a report of its efforts and actions to the Legislature 20 days prior to the convening of the 1993 Regular Session;
- (7) Specifying which agencies or organizations should receive certified copies of the resolution; and
- (8) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 143, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 143, H.D. 1.

Signed by all members of the Committee.

SCRep. 1087-92 Education on H.R. No. 125

The purpose of this resolution, as received by your Committee, is to request the Department of Accounting and General Services (DAGS) to assess the feasibility of leasing portable classrooms.

Your Committee notes that the leasing of portable classrooms is just one approach to relieve and accommodate classroom overcrowding in the public schools. However, while this alternative has its merits, it does not provide a long-term solution to address future increases in student enrollment. Instead, your Committee recognizes the importance of having the Department of Education (DOE) and DAGS explore long-term solutions and other recommendations to address classroom overcrowding.

In light of the severity of classroom shortages being experienced by public schools throughout the State, particularly on Hawaii, Maui, and Leeward Oahu, your Committee has amended this resolution by:

- (1) Amending the above-referred title: "REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO ASSESS THE FEASIBILITY OF LEASING PORTABLE CLASSROOMS" to read as follows: "REQUESTING A PROPOSAL AND THE ASSESSMENT OF RECOMMENDATIONS TO ALLEVIATE CLASSROOM SHORTAGES IN THE PUBLIC SCHOOLS"; and
- (2) Deleting its substance and inserting new material, the purpose of which is to request DAGS and the DOE to propose and assess recommendations to alleviate classroom shortages in the public schools.

Accordingly, your Committee has also amended this resolution by including a request for:

- (1) Solutions to accommodate fluctuations in student enrollment in the future; and
- (2) Information regarding the ways public schools have coped with classroom overcrowding by relying on available resources.

Your Committee on Education concurs with the intent and purpose of H.R. No. 125, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 125, H.D. 1.

Signed by all members of the Committee.

SCRep. 1088-92 Education on H.C.R. No. 117

The purpose of this concurrent resolution, as received by your Committee, is to request the Department of Accounting and General Services (DAGS) to assess the feasibility of leasing portable classrooms.

Your Committee notes that the leasing of portable classrooms is just one approach to relieve and accommodate classroom overcrowding in the public schools. However, while this alternative has its merits, it does not provide a long-term solution to address future increases in student enrollment. Instead, your Committee recognizes the importance of having the Department of Education (DOE) and DAGS explore long-term solutions and other recommendations to address classroom overcrowding.

In light of the severity of classroom shortages being experienced by public schools throughout the State, particularly on Hawaii, Maui, and Leeward Oahu, your Committee has amended this concurrent resolution by:

- (1) Amending the above-referred title: "REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO ASSESS THE FEASIBILITY OF LEASING PORTABLE CLASSROOMS" to read as follows: "REQUESTING A PROPOSAL AND THE ASSESSMENT OF RECOMMENDATIONS TO ALLEVIATE CLASSROOM SHORTAGES IN THE PUBLIC SCHOOLS"; and
- (2) Deleting its substance and inserting new material, the purpose of which is to request DAGS and the DOE to propose and assess recommendations to alleviate classroom shortages in the public schools.

Accordingly, your Committee has also amended this concurrent resolution by including a request for:

- (1) Solutions to accommodate fluctuations in student enrollment in the future; and
- (2) Information regarding the ways public schools have coped with classroom overcrowding by relying on available resources.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 117, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 117, H.D. 1.

Signed by all members of the Committee.

SCRep. 1089-92 Education on H.R. No. 142

The purpose of this resolution, as received by your Committee, is to request the Department of Accounting and General Services (DAGS) to:

- (1) Identify schools on Oahu that do not have sufficient parking to accommodate current or projected future levels of need by participants in school activities;
- (2) Determine a fair and reasonable formula for present and future parking demands on campuses, taking into account variables including off-campus availability of parking spaces; and
- (3) Examine the layouts of schools identified as having inadequate parking and proposing sites for additional on-campus or off-campus parking spaces.

Your Committee finds that increases in the number of student and staff drivers who commute to school, the rise in student enrollment, and increased community participation in school activities have resulted in a demand for parking at public schools, particularly in several school districts on Oahu. Your Committee also finds that a revised parking standard is needed with a fair and reasonable formula to accommodate present and future parking needs on public school campuses.

Accordingly, your Committee has amended the resolution by:

- (1) Amending the above-referred title: "REQUESTING THE ESTABLISHMENT OF NEW PARKING STANDARDS TO MEET THE NEED FOR INCREASED PARKING IN PUBLIC SCHOOLS" to read as follows: "REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO EVALUATE SOLUTIONS FOR MEETING THE NEED FOR PARKING AT SCHOOLS"; and
- (2) Deleting its contents and inserting new material, the purpose of which is to request DAGS and the Department of Education to establish new parking standards to meet the need for increased parking in public schools.

Your Committee on Education concurs with the intent and purpose of H.R. No. 142, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 142, H.D. 1.

Signed by all members of the Committee.

SCRep. 1090-92 Education on H.C.R. No. 133

The purpose of this concurrent resolution is to urge the Department of Education (DOE) to develop and publish a written annual report card on the performance of Hawaii's public schools.

Assessment and accountability are critical elements to improve and restructure Hawaii's public school system, and support the monitoring and facilitation of improvements in education. Your Committee recognizes that educational assessment and accountability are fundamental components of effective planning, decision-making, and implementation of educational policies and programs for Hawaii's public schools. Your Committee also notes that continuous and

comprehensive assessment of public education should be conducted on the overall progress of the public school system, as well as on the progress of each individual school.

The DOE, the Hawaii State Teachers Association (HSTA), and the Hawaii Business Roundtable testified in support of the intent of the measure. Your Committee also received supporting testimony from the United Parents for Education Coalition and an interested individual.

Accordingly, your Committee has amended the concurrent resolution by:

- (1) Specifying that the written annual report card include comprehensive assessments of each public school in the State and of the public school system;
- (2) Stipulating that the DOE work with the HSTA and the Hawaii Business Roundtable to develop the written annual report card;
- (3) Emphasizing that:
 - (a) An interested and involved citizenry is critical to effectuate positive change in the public schools; and
 - (b) Continual review and assessment of Hawaii's public schools and public education are necessary for effective decision-making, planning, and improvements in the public school system;
- (4) Specifying that the DOE publish the written annual report card and make the report card available to school administrators, the HSTA, the Hawaii Business Roundtable, and the public; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 136, H.D. 1.

Signed by all members of the Committee.

SCRep. 1091-92 Education on H.C.R. No. 35

The purpose of this concurrent resolution is to request that the new gymnasium planned for Kauai High and Intermediate School be named in honor of the late United States Senator Spark M. Matsunaga.

This concurrent resolution further requests that the Department of Accounting and General Services allocate five percent of the construction cost of the gymnasium to construct an entryway in which a plaque or portrait in honor of Senator Matsunaga and to include any other memorabilia as may be appropriate.

The House Committee on Education received testimony in support of this concurrent resolution from the late Senator's son, Matthew M. Matsunaga, expressing appreciation for this honored consideration.

This is a similar concurrent resolution to HR 62 which was unanimously adopted in the House in the Regular Session of 1991. The Department of Education also fully supported its passage along with the total support of the Kauai schools and community.

Your Committee on Education is in accord with the intent and purpose of H.C.R. No. 35 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1092-92 Education on H.R. No. 95

The purpose of this resolution is to request the Superintendent of Education to conduct a comprehensive review of the After-School A+ program.

Your Committee recognizes the success and importance of the After-School A+ program and its ability to provide much-needed child care services to the people of the State. However, your Committee believes that a comprehensive review, including analyses of various financial and programmatic options, should be undertaken to evaluate the future plans of the program.

The Department of Education, the Office of Children and Youth, and the Young Men's Christian Association of Honolulu, Metropolitan Office submitted testimony on this resolution.

Upon consideration of the testimony and through discussion by your Committee, this resolution has been amended by:

- (1) Amending the above-referred title: "REQUESTING THE SUPERINTENDENT OF EDUCATION TO CONDUCT A COMPREHENSIVE REVIEW OF THE AFTER-SCHOOL A+ PROGRAM" to read as follows: "REQUESTING THE DEPARTMENT OF EDUCATION TO CONDUCT A COMPREHENSIVE REVIEW OF THE AFTER-SCHOOL A+ PROGRAM";

- (2) Deleting all inappropriate references to the establishment, implementation, and suggested methods of funding for a universal preschool/early childhood educational program;
- (3) Adding a declaration for the necessity of the comprehensive review of the program;
- (4) Replacing references to the "Superintendent of Education" with the "Department of Education" as the directed agency to perform the review and report to the Legislature;
- (5) Deleting the feasibility assessment regarding the transfer of after-school supervisory services to the private sector and the cost analysis regarding the allocation of funds designated for the After-School A+ program to be utilized for the provision of universal preschool/early childhood education services from the scope of the review;
- (6) Expanding the scope of the review by including the following:
 - (a) A definition and assessment of the intended outcomes and benefits of the A+ program with regard to supporting early education and the Hawaii Goals for Education;
 - (b) The cost effectiveness and analysis of the A+ program;
 - (c) A comparison of the cost-benefits of private providers versus the public sector sponsoring the A+ program;
 - (d) The number of students currently not served by the A+ program; and
 - (e) The feasibility of establishing a special fund for moneys generated from the A+ program; and
- (7) Deleting the Lieutenant Governor of the State of Hawaii from the list of those to receive copies of the resolution.

Your Committee on Education concurs with the intent and purpose of H.R. No. 95, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 95, H.D. 1.

Signed by all members of the Committee.

SCRep. 1093-92 Education on H.R. No. 26

The purpose of this resolution is to request that the Department of Education (DOE), review their staff reduction guidelines with the intent of preventing a staff reduction after school has commenced due to a lower-than-projected student enrollment.

Testimony in support of the intent of the resolution was received by the DOE.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 26 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1094-92 Education on H.C.R. No. 24

The purpose of this concurrent resolution is to request that the Department of Education (DOE), review their staff reduction guidelines with the intent of preventing a staff reduction after school has commenced due to a lower-than-projected student enrollment.

Testimony in support of the intent of the concurrent resolution was received by the DOE.

Your Committee on Education is in accord with the intent and purpose of H.C.R. No. 24 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1095-92 Education on H.R. No. 130

The purpose of this resolution is to request the Department of Education (DOE), in cooperation with the Hawaii State Teachers' Association (HSTA), to establish a special teacher recruitment team and to develop and provide necessary services and tools to recruit teachers for rural or remote areas of the State.

Testimony in support of the intent of the resolution was received by the DOE. Your Committee also received supporting testimony from the HSTA.

Your Committee on Education concurs with the intent and purpose of H.R. No. 130 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1096-92 Education on H.C.R. No. 121

The purpose of this concurrent resolution is to request the Department of Education (DOE), in cooperation with the Hawaii State Teachers' Association (HSTA), to establish a special teacher recruitment team and to develop and provide necessary services and tools to recruit teachers for rural or remote areas of the State.

Testimony in support of the intent of the concurrent resolution was received by the DOE. Your Committee also received supporting testimony from the HSTA.

Your Committee on Education is in accord with the intent and purpose of H.C.R. No. 121 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1097-92 Education on H.R. No. 98

The purpose of this resolution is to request the Department of Education (DOE), in conjunction with the Hawaii State Teachers Association (HSTA), to cooperatively develop and implement a career ladder plan for teachers and to establish a pilot project to test the implementation of this plan.

Your Committee finds that the quality of education provided by the State's public school system is being negatively affected by a growing rate of teacher attrition from the classroom to non-instructional, administrative positions. A contributing factor to this trend is the perception that teacher compensation is not commensurate with the demands of the career, or with the performance of the individual. Thus, your Committee believes that a career ladder plan will be an appropriate incentive to keep educators in the classroom, promote excellence in teaching, and motivate more individuals to pursue the teaching profession.

Testimony in support of the intent of this resolution was submitted by the DOE, the HSTA, and the United Parents for Education Coalition.

Upon further discussion, this resolution has been amended by:

- (1) Deleting the reference to "merit pay" as a benefit of the career ladder concept; and
- (2) Including the Board of Education (BOE), the Department of Personnel Services (DPS), and the University of Hawaii (UH) system as agencies to cooperate in:
 - (a) Developing the career ladder plan;
 - (b) Establishing the pilot project; and
 - (c) Submitting the findings and recommendations, status reports, and final analysis of the career ladder plan; and
- (3) Transmitting certified copies of this resolution to the BOE, DPS, and UH.

Your Committee on Education concurs with the intent and purpose of H.R. No. 98, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 98, H.D. 1.

Signed by all members of the Committee.

SCRep. 1098-92 Education on H.C.R. No. 93

The purpose of this concurrent resolution is to request the Department of Education (DOE), in conjunction with the Hawaii State Teachers Association (HSTA), to cooperatively develop and implement a career ladder plan for teachers and to establish a pilot project to test the implementation of this plan.

Your Committee finds that the quality of education provided by the State's public school system is being negatively affected by a growing rate of teacher attrition from the classroom to non-instructional, administrative positions. A contributing factor to this trend is the perception that teacher compensation is not commensurate with the demands of the career, or with the performance of the individual. Thus, your Committee believes that a career ladder plan will be an appropriate incentive to keep educators in the classroom, promote excellence in teaching, and motivate more individuals to pursue the teaching profession.

Testimony in support of the intent of this concurrent resolution was submitted by the DOE, the HSTA, and the United Parents for Education Coalition.

Upon further discussion, this concurrent resolution has been amended by:

- (1) Deleting the reference to "merit pay" as a benefit of the career ladder concept; and
- (2) Including the Board of Education (BOE), the Department of Personnel Services (DPS), and the University of Hawaii (UH) system as agencies to cooperate in:

- (a) Developing the career ladder plan;
 - (b) Establishing the pilot project; and
 - (c) Submitting the findings and recommendations, status reports, and final analysis of the career ladder plan; and
- (3) Transmitting certified copies of this concurrent resolution to the BOE, DPS, and UH.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 93, H.D. 1.

Signed by all members of the Committee.

SCRep. 1099-92 Education on H.R. No. 146

The purpose of this resolution is to urge the Department of Education (DOE) to develop and publish a written annual report card on the performance of Hawaii's public schools.

Assessment and accountability are critical elements to improve and restructure Hawaii's public school system, and support the monitoring and facilitation of improvements in education. Your Committee recognizes that educational assessment and accountability are fundamental components of effective planning, decision-making, and implementation of educational policies and programs for Hawaii's public schools. Your Committee also notes that continuous and comprehensive assessment of public education should be conducted on the overall progress of the public school system, as well as on the progress of each individual school.

The DOE, the Hawaii State Teachers Association (HSTA), and the Hawaii Business Roundtable testified in support of the intent of the measure. Your Committee also received supporting testimony from the United Parents for Education Coalition and an interested individual.

Accordingly, your Committee has amended the resolution by:

- (1) Specifying that the written annual report card include comprehensive assessments of each public school in the State and of the public school system;
- (2) Stipulating that the DOE work with the HSTA and the Hawaii Business Roundtable to develop the written annual report card;
- (3) Emphasizing that:
 - (a) An interested and involved citizenry is critical to effectuate positive change in the public schools; and
 - (b) Continual review and assessment of Hawaii's public schools and public education are necessary for effective decision-making, planning, and improvements in the public school system;
- (4) Specifying that the DOE publish the written annual report card and make the report card available to school administrators, the HSTA, the Hawaii Business Roundtable, and the public; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of H.R. No. 146, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 146, H.D. 1.

Signed by all members of the Committee.

SCRep. 1100-92 Education on H.C.R. No. 136

The purpose of this concurrent resolution is to urge the Department of Education (DOE) to develop and publish a written annual report card on the performance of Hawaii's public schools.

Assessment and accountability are critical elements to improve and restructure Hawaii's public school system, and support the monitoring and facilitation of improvements in education. Your Committee recognizes that educational assessment and accountability are fundamental components of effective planning, decision-making, and implementation of educational policies and programs for Hawaii's public schools. Your Committee also notes that continuous and comprehensive assessment of public education should be conducted on the overall progress of the public school system, as well as on the progress of each individual school.

The DOE, the Hawaii State Teachers Association (HSTA), and the Hawaii Business Roundtable testified in support of the intent of the measure. Your Committee also received supporting testimony from the United Parents for Education Coalition and an interested individual.

Accordingly, your Committee has amended the concurrent resolution by:

- (1) Specifying that the written annual report card include comprehensive assessments of each public school in the State and of the public school system;
- (2) Stipulating that the DOE work with the HSTA and the Hawaii Business Roundtable to develop the written annual report card;
- (3) Emphasizing that:
 - (a) An interested and involved citizenry is critical to effectuate positive change in the public schools; and
 - (b) Continual review and assessment of Hawaii's public schools and public education are necessary for effective decision-making, planning, and improvements in the public school system;
- (4) Specifying that the DOE publish the written annual report card and make the report card available to school administrators, the HSTA, the Hawaii Business Roundtable, and the public; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 136, H.D. 1.

Signed by all members of the Committee.

SCRep. 1101-92 Health and Human Services on H.C.R. No. 68

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the various support and assistance services offered in Hawaii to children with cancer and their families, identify the gaps in services, and make recommendations as to the solutions that would eliminate the gap.

Representatives from the following organizations submitted testimony in support of the concurrent resolution: Kapiolani Medical Center for Women and Children; Help, Understanding and Group Support (HUGS); and Olsten Health Care. Parents and health professionals also expressed written support.

Your Committees recognize the importance of overall support services for children with cancer and their families and amends the concurrent resolution as follows:

- (1) The Departments of Health, Human Services, and Education, the Medicaid Division, and relevant third party payors are additions to the list of organizations that the Legislative Reference Bureau shall consult for information regarding an assessment of needs and services.
- (2) Certified copies of this concurrent resolution are to be transmitted to all consulting agencies as identified in this concurrent resolution.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 68, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 68, H.D. 1.

Signed by all members of the Committees except Representatives Amaral and Peters.

SCRep. 1102-92 Energy and Environmental Protection on H.R. No. 228

The purpose of this House Resolution is to request the Department of Agriculture to determine the details for establishing a pesticide treatment notification system.

Your Committee on Energy and Environmental Protection finds that some individuals suffer negative reactions to pesticide treatments despite full compliance with the application guidelines established for pesticide treatment applicators. Your Committee further finds that there is no system at present to provide advance notice of the scheduling of commercial pest control application projects, causing highly-sensitive persons to suffer needlessly and without warning.

This Resolution requests the Department of Agriculture to determine the details for establishing a registry of highly-sensitive persons to serve as a notification directory for commercial pesticide applicators in order that warning of pesticide applications may be given to potential victims in advance.

Testimonies from the Board of Agriculture and the Hawaii Pest Control Association supported House Resolution No. 228.

Your Committee has amended this Resolution by substituting may be significant for can be significant in the fifth "WHEREAS" clause, as a more accurate reflection of the medical community's views at the present time.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.R. No. 228, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 228, H.D. 1.

Signed by all members of the Committee.

SCRep. 1103-92 Energy and Environmental Protection on H.C.R. No. 218

The purpose of this House Concurrent Resolution is to request the Department of Agriculture to determine the details for establishing a pesticide treatment notification system.

Your Committee on Energy and Environmental Protection finds that some individuals suffer negative reactions to pesticide treatments despite full compliance with the application guidelines established for pesticide treatment applicators. Your Committee further finds that there is no system at present to provide advance notice of the scheduling of commercial pest control application projects, causing highly-sensitive persons to suffer needlessly and without warning.

This Concurrent Resolution requests the Department of Agriculture to determine the details for establishing a registry of highly-sensitive persons to serve as a notification directory for commercial pesticide applicators in order that warning of pesticide applications may be given to potential victims in advance.

Testimonies from the Board of Agriculture and the Hawaii Pest Control Association supported House Concurrent Resolution No. 218.

Your Committee has amended this Concurrent Resolution by substituting may be significant for can be significant in the fifth "WHEREAS" clause, as a more accurate reflection of the views of the medical community.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 218, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 218, H.D. 1.

Signed by all members of the Committee.

SCRep. 1104-92 Energy and Environmental Protection on H.R. No. 285

The purpose of this House Resolution is to establish a system to ensure the impartiality of consultants preparing environmental impact statements.

Your Committee finds that developers frequently rely on consultants to assist in preparing required environmental impact statements. Your Committee further finds that in absence of any system for the selection of consulting firms, the possibility exists that the contractor may be unduly influenced by the employing developer.

House Resolution No. 285 requests the Legislative Reference Bureau to study the possibility of establishing a new system under the State Environmental Statement Law by which consulting contracts would be assigned on an impartial basis to prevent the statement preparer from being influenced by a contractor. The Legislative Reference Bureau is requested to consider assignment of any contract to prepare an environmental statement through:

- (1) A neutral office or agency not affiliated with either the project developer or any office or agency involved in environmental protection;
- (2) A revolving list of prospective consultants qualified to prepare environmental impact statements; or
- (3) Any other means that would ensure impartiality in the environmental preparation process.

Your Committee heard supportive testimony from an Attorney at Law who has been involved in Environmental Impact Statement litigation. Testimony indicated that an Environmental Impact Statement is often prepared to emphasize the positive impacts of a project while hiding or ignoring the negative impacts, and that a report on different methods for increasing objectivity would be helpful.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 285 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1105-92 Energy and Environmental Protection on H.C.R. No. 275

The purpose of this House Concurrent Resolution is to establish a system to ensure the impartiality of consultants preparing environmental impact statements.

Your Committee finds that developers frequently rely on consultants to assist in preparing required environmental impact statements. Your Committee further finds that in absence of any system for the selection of consulting firms, the possibility exists that the contractor may be unduly influenced by the employing developer.

House Concurrent Resolution No. 275 requests the Legislative Reference Bureau to study the possibility of establishing a new system under the State Environmental Impact Statement Law by which consulting contracts would be assigned on an impartial basis to prevent the statement preparer from being influenced by a contractor. The Legislative Reference Bureau is requested to consider assignment of any contract to prepare an environmental impact statement through:

- (1) A neutral office or agency not affiliated with either the project developer or any office or agency involved in environmental protection;

- (2) A revolving list of prospective consultants qualified to prepare environmental impact statements; or
- (3) Any other means that would ensure impartiality in the environmental impact preparation process.

Your Committee heard supportive testimony from an Attorney at Law who has been involved in Environmental Impact Statement litigation. Testimony indicated that an Environmental Impact Statement is often prepared to emphasize the positive impacts of a project while hiding or ignoring the negative impacts, and that a report on different methods for increasing objectivity would be helpful.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 275 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1106-92 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.C.R. No. 39

The purpose of this Concurrent Resolution is to establish a regional petroleum reserve in Hawaii to guard against a shortage of oil due to an interruption of imported oil and petroleum products.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs recognize the seriousness of an oil shortage both for military and civilian usage in Hawaii. Your Committees find that an essential part of the State's energy preparedness plan is to augment the State's petroleum reserves through increased storage and access to existing Federal petroleum reserves, since supplies from the mainland would become available only after the State's supply situation has become critical.

House Concurrent Resolution No. 19 urges the support of the President of the United States and the Secretary of Energy of the United States in establishing a ninety-day supply of petroleum to serve as a dedicated regional petroleum reserve, including the construction of necessary storage facilities, as well as the purchase of additional stocks of petroleum products. This Concurrent Resolution further urges that the State be given priority access to the Federal reserves until such time as the regional petroleum reserve is established.

The Department of Business, Economic Development and Tourism testified in support of this Concurrent Resolution, indicating that it will work in concert with the efforts of our Congressional Delegation and the State Administration which seek to gain Federal recognition of its obligation to ensure the energy security of all fifty states.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 39 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1107-92 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.R. No. 165

The purpose of this House Resolution is to reduce the volume of solid waste materials being disposed of in Hawaii's landfills by requesting the counties to consider restricting or banning green waste disposal in their landfills, and to devise alternative methods for its disposal as part of their integrated solid waste management plans.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs find that green waste constitutes the largest volume of solid waste being consigned to our landfills, and that its decomposition poses hazards to our ground water, as well as generating toxic methane gas which is both explosive, and also harmful to the ozone layer. Your Committees further find that recycling of green waste would be more economically efficient and environmentally responsible than dumping it into our landfills, as has been proved by Kauai County.

House Resolution No. 165 requests the counties to consider restricting or banning green waste in landfills, and to devise alternative methods for its disposal as a component in their solid waste management plans. This Resolution further directs the Coordinator of the Office of Solid Waste Management to develop rules proposing requirements for the elimination of the disposal of green waste in landfills and incineration facilities, and requests the Coordinator of the Office of Solid Waste Management to include in the Office's annual report a summary of the actions of the counties toward the implementation of restrictions or bans on green waste in landfills, and the development of alternative methods for disposing of green waste.

Testimonies in support of House Resolution No. 165 were heard from the Department of Health, the County of Hawaii, and two interested citizens. The Department of Health testified that green waste diversion can reduce hauling and landfilling costs, extend landfill capacity, provide local economic development, and produce a product beneficial to the landscape and agricultural industries. The County of Hawaii cited its success in providing grants to private contractors to compost green waste, thus saving part of the cost of transporting to landfills, as well as saving space in landfills for other solid waste.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 165 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1108-92 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.C.R. No. 154

The purpose of this House Concurrent Resolution is to reduce the volume of solid waste materials being disposed of in Hawaii's landfills by requesting the counties to consider restricting or banning green waste disposal in their landfills, and to devise alternative methods for its disposal as part of their integrated solid waste management plans.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs find that green waste constitutes the largest volume of solid waste being consigned to our landfills, and that its decomposition poses hazards to our ground water, as well as generating toxic methane gas which is both explosive, and also harmful to the ozone layer. Your Committees further find that recycling of green waste would be more economically efficient and environmentally responsible than dumping it into our landfills, as has been proved by Kauai County.

House Concurrent Resolution No. 154 requests the counties to consider restricting or banning green waste in landfills, and to devise alternative methods for its disposal as a component of their solid waste management plans. This Concurrent Resolution further directs the Coordinator of the Office of Solid Waste Management to develop rules proposing requirements for the elimination of the disposal of green waste in landfills and incineration facilities, and requests the Coordinator of the Office of Solid Waste Management to include in the Office's annual report a summary of the actions of the counties toward the implementation of restrictions or bans on green waste in landfills, and the development of alternative methods for disposing of green waste.

Testimonies in support of House Concurrent Resolution No. 154 were heard from the Department of Health, the County of Hawaii, and two interested citizens. The Department of Health testified that green waste diversion can reduce hauling and landfilling costs, extend landfill capacity, provide local economic development, and produce a product beneficial to the landscape and agricultural industries. The County of Hawaii cited its success in providing grants to private contractors to compost green waste, thus saving part of the cost of transporting to landfills, as well as saving space in landfills for other solid waste.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 154 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1109-92 Intergovernmental Relations and International Affairs on H.R. No. 262

The purpose of this resolution is to authorize the Governor, or his designee, to take all necessary actions to establish a Sister-State affiliation with the Province of Hainan, the thirty-first province of the People's Republic of China.

Your Committee received testimony in strong support of this measure from numerous persons and organizations including: the Office of International Relations, the William S. Richardson School of Law, the Department of Emergency Medical Services at Kapiolani Community College, the Economic Development Corporation of Honolulu, the World Family Foundation, the U.S.-China Peoples Friendship Association of Honolulu, the Kuilima Development Company, the Hawaii Pacific Technology and Trade Corporation, Hilton Hotels Corporation, and a City Council member.

In 1985, the City and County of Honolulu entered into a Sister-Island relationship with Hainan, which was then a part of Guangdong Province. To avoid future confusion and duplication, your Committee encourages the City and County of Honolulu and the State to enter into a Memorandum of Understanding before a Sister-State relationship is officially authorized to ensure that the State and the City and County of Honolulu reach a clear understanding of the nature of the relationship between Hawaii and Hainan.

Upon further consideration, your Committee has amended this measure to transmit a certified copy of this resolution to the Governor of the Province of Hainan.

The title of this measure has been amended as follows to correct a typographical error: "HOUSE RESOLUTION APPROVING AND AUTHORIZING THE ESTABLISHMENT OF STATE-PROVINCE RELATIONS OF FRIENDSHIP BETWEEN THE STATE OF HAWAII OR THE UNITED STATES OF AMERICA AND THE ISLAND PROVINCE OF HAINAN OF THE PEOPLE'S REPUBLIC OF CHINA."

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

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.R. No. 262, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 262, H.D. 1.

Signed by all members of the Committee.

SCRep. 1110-92 Intergovernmental Relations and International Affairs on H.C.R. No. 252

The purpose of this concurrent resolution is to authorize the Governor, or his designee, to take all necessary actions to establish a Sister-State affiliation with the Province of Hainan, the thirty-first province of the People's Republic of China.

Your Committee received testimony in strong support of this measure from numerous persons and organizations including: the Office of International Relations, the William S. Richardson School of Law, the Department of Emergency

Medical Services at Kapiolani Community College, the Economic Development Corporation of Honolulu, the World Family Foundation, the U.S.-China Peoples Friendship Association of Honolulu, the Kuilima Development Company, the Hawaii Pacific Technology and Trade Corporation, Hilton Hotels Corporation, and a City Council member.

In 1985, the City and County of Honolulu entered into a Sister-Island relationship with Hainan, which was then a part of Guangdong Province. To avoid future confusion and duplication, your Committee encourages the City and County of Honolulu and the State to enter into a Memorandum of Understanding before a Sister-State relationship is officially authorized to ensure that the State and the City and County of Honolulu reach a clear understanding of the nature of the relationship between Hawaii and Hainan.

Upon further consideration, your Committee has amended this measure to transmit a certified copy of this concurrent resolution to the Governor of the Province of Hainan.

The title of this measure has been amended as follows to correct a typographical error: "HOUSE CONCURRENT RESOLUTION APPROVING AND AUTHORIZING THE ESTABLISHMENT OF STATE-PROVINCE RELATIONS OF FRIENDSHIP BETWEEN THE STATE OF HAWAII OR THE UNITED STATES OF AMERICA AND THE ISLAND PROVINCE OF HAINAN OF THE PEOPLE'S REPUBLIC OF CHINA."

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

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.C.R. No. 252, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 252, H.D. 1.

Signed by all members of the Committee.

SCRep. 1111-92 Education on H.C.R. No. 90

The purpose of this concurrent resolution is to request the Superintendent of Education to conduct a comprehensive review of the After-School A+ program.

Your Committee recognizes the success and importance of the After-School A+ program and its ability to provide much-needed child care services to the people of the State. However, your Committee believes that a comprehensive review, including analyses of various financial and programmatic options, should be undertaken to evaluate the future plans of the program.

The Department of Education, the Office of Children and Youth, and the Young Men's Christian Association of Honolulu, Metropolitan Office submitted testimony on this concurrent resolution.

Upon consideration of the testimony and through discussion by your Committee, this concurrent resolution has been amended by:

- (1) Amending the above-referred title: "REQUESTING THE SUPERINTENDENT OF EDUCATION TO CONDUCT A COMPREHENSIVE REVIEW OF THE AFTER-SCHOOL A+ PROGRAM" to read as follows: "REQUESTING THE DEPARTMENT OF EDUCATION TO CONDUCT A COMPREHENSIVE REVIEW OF THE AFTER-SCHOOL A+ PROGRAM";
- (2) Deleting all inappropriate references to the establishment, implementation, and suggested methods of funding for a universal preschool/early childhood educational program;
- (3) Adding a declaration for the necessity of the comprehensive review of the program;
- (4) Replacing references to the "Superintendent of Education" with the "Department of Education" as the directed agency to perform the review and report to the Legislature;
- (5) Deleting the feasibility assessment regarding the transfer of after-school supervisory services to the private sector and the cost analysis regarding the allocation of funds designated for the After-School A+ program to be utilized for the provision of universal preschool/early childhood education services from the scope of the review;
- (6) Expanding the scope of the review by including the following:
 - (a) A definition and assessment of the intended outcomes and benefits of the A+ program with regard to supporting early education and the Hawaii Goals for Education;
 - (b) The cost effectiveness and analysis of the A+ program;
 - (c) A comparison of the cost-benefits of private providers versus the public sector sponsoring the A+ program;
 - (d) The number of students currently not served by the A+ program; and
 - (e) The feasibility of establishing a special fund for moneys generated from the A+ program; and

- (7) Deleting the Lieutenant Governor of the State of Hawaii from the list of those to receive copies of the concurrent resolution.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 90, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 90, H.D. 1.

Signed by all members of the Committee.

SCRep. 1112-92 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.R. No. 153

The purpose of this House Resolution, as received by your Committees, is to reduce the volume of materials being disposed of in Hawaii's landfills by requesting each county to establish a pilot salvaging project at one of its landfills.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs find that Hawaii is facing a landfill crisis, with landfills being closed or reaching near capacity, and with dismal prospects for siting new landfills to meet future needs. Your Committees further find that many items now being consigned to landfills could be salvaged if procedures for disposing of unwanted items and reclaiming those which are salvageable were established.

House Resolution No. 153, as amended, requests each county to establish a pilot project at one of its landfills or transfer stations by setting aside an area at which salvageable items could be dropped off and picked up for reuse and recycling. The area is to have controlled access, be adequately supervised, and be separated or protected from the solid waste traffic movement.

Your Committees heard supportive testimonies from the Department of Health and an interested citizen. The Department of Health pointed out that landfills may not be the most appropriate or feasible site for salvage operations, since the vast majority of salvageable materials entering our landfills have been processed through transfer stations, and may not be in a salvageable state when reaching the landfills. In addition, access to landfills by the public is becoming very restrictive due to liability for injuries.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs have amended House Resolution No. 153 by expanding the wording to include, at the option of the counties, the establishment of salvage projects at transfer stations where a higher quality of salvageable items may be available. Your Committees have also amended this House Resolution by amending the title to include transfer stations in the pilot projects.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 153, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 153, H.D. 1.

Signed by all members of the Committees.

SCRep. 1113-92 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.C.R. No. 142

The purpose of this House Concurrent Resolution, as received by your Committees, is to reduce the volume of materials being disposed of in Hawaii's landfills by requesting each county to establish a pilot salvaging project at one of its landfills.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs find that Hawaii is facing a landfill crisis, with landfills being closed or reaching near capacity, and with dismal prospects for siting new landfills to meet future needs. Your Committees further find that many items now being consigned to landfills could be salvaged if procedures for disposing of unwanted items and reclaiming those which are salvageable were established.

House Concurrent Resolution No. 142, as amended, requests each county to establish a pilot project at one of its landfills or transfer stations by setting aside an area at which salvageable items could be dropped off and picked up for reuse and recycling. The area is to have controlled access, be adequately supervised, and be separated or protected from the solid waste traffic movement.

Your Committees heard supportive testimonies from the Department of Health and an interested citizen. The Department of Health pointed out that landfills may not be the most appropriate or feasible site for salvage operations, since the vast majority of salvageable materials entering our landfills have been processed through transfer stations, and may not be in a salvageable state when reaching the landfills. In addition, access to landfills by the public is becoming very restrictive due to liability for injuries.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs have amended House Concurrent Resolution No. 142 by expanding the wording to include, at the option of the counties, the establishment of salvage projects at transfer stations where a higher quality of salvageable items may be available. Your Committees have also amended this House Concurrent Resolution by amending the title to include transfer stations in the pilot projects.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 142, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 142, H.D. 1.

Signed by all members of the Committees.

SCRep. 1114-92 Health and Human Services on H.R. No. 68

The purpose of this resolution is to request the Legislative Reference Bureau to study the various support and assistance services offered in Hawaii to children with cancer and their families, identify the gaps in services, and make recommendations as to the solutions that would eliminate the gap.

Representatives from the following organizations submitted testimony in support of the resolution: Kapiolani Medical Center for Women and Children; Help, Understanding and Group Support (HUGS); and Olsten Health Care. Parents and health professionals also expressed written support.

Your Committees recognize the importance of overall support services for children with cancer and their families and amends the resolution as follows:

- (1) The Departments of Health, Human Services, and Education, the Medicaid Division, and relevant third party payors are additions to the list of organizations that the Legislative Reference Bureau shall consult for information regarding an assessment of needs and services.
- (2) Certified copies of this concurrent resolution are to be transmitted to all consulting agencies as identified in this concurrent resolution.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 68, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 68, H.D. 1.

Signed by all members of the Committees except Representatives Amaral and Peters.

SCRep. 1115-92 Labor and Public Employment and Legislative Management on H.R. No. 123

The purpose of this resolution is to request that the Legislative Reference Bureau conduct a study to determine the feasibility and impact of a State and County phased retirement program.

This study will address employee eligibility requirements, options for reduced work hours, participant responsibilities, and compensation and benefits, to explore alternatives to traditional retirement.

Your Committees find that a phased retirement system will allow an employee to gradually reduce work hours and collect adjusted retirement benefits.

Favorable testimonies were provided by the Department of Personnel Services, Employees' Retirement System, and Department of Civil Service of the City and County of Honolulu.

Your Committees on Labor and Public Employment and Legislative Management concur with the intent and purpose of H.R. No. 123 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1116-92 Labor and Public Employment and Legislative Management on H.C.R. No. 115

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau conduct a study to determine the feasibility and impact of a State and County phased retirement program.

This study will address employee eligibility requirements, options for reduced work hours, participant responsibilities, and compensation and benefits, to explore alternatives to traditional retirement.

Your Committees find that a phased retirement system will allow an employee to gradually reduce work hours and collect adjusted retirement benefits.

Favorable testimonies were provided by the Department of Personnel Services, Employees' Retirement System, and Department of Civil Service of the City and County of Honolulu.

Your Committees on Labor and Public Employment and Legislative Management concur with the intent and purpose of H.C.R. No. 115 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1117-92 Labor and Public Employment on H.R. No. 315

The purpose of this resolution is to request a study be done by the Legislative Reference Bureau in conjunction with the Employees' Retirement System and the State Department of Personnel Services, to develop standards under which members of the Employees' Retirement System, who previously rendered national service, be eligible to purchase membership service credit.

Your Committee finds the United States Peace Corps, an example of such national service. Hawaii residents who selflessly contributed years of their youth to help foster peace while serving in organizations like the United States Peace Corps should also be given the same opportunity as those involved in military service to purchase membership credit.

Your Committee received testimony from the Employees' Retirement System.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.R. No. 315 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1118-92 Labor and Public Employment on H.C.R. No. 312

The purpose of this concurrent resolution is to request a study be done by the Legislative Reference Bureau in conjunction with the Employees' Retirement System and the State Department of Personnel Services, to develop standards under which members of the Employees' Retirement System, who previously rendered national service, be eligible to purchase membership service credit.

Your Committee finds the United States Peace Corps, an example of such national service. Hawaii residents who selflessly contributed years of their youth to help foster peace while serving in organizations like the United States Peace Corps should also be given the same opportunity as those involved in military service to purchase membership credit.

Your Committee received testimony from the Employees' Retirement System.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.C.R. No. 312 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1119-92 Labor and Public Employment on H.C.R. No. 159

The purpose of this concurrent resolution, as received by your Committee, is to secure legislative approval for the report submitted by the personnel directors of the State, the Judiciary, and the counties, including the report published by the Public Employees Compensation Appeals Board (PECAB).

Sections 77-4 and 77-5, Hawaii Revised Statutes, require all personnel directors of the State, the Judiciary, and the counties to meet in joint conference each odd-numbered year to review the general condition of the compensation plan for civil service employees and to compile their views and recommendations for submission to the Public Employees Compensation Appeals Board for its consideration.

Your Committee received testimony in favor of the House concurrent resolution, stating that the adoption of said concurrent resolution will result in the implementation of the compensation plans effective July 1, 1992.

Your Committee on Labor and Public Employment concurs with the intent and purpose of H.C.R. No. 159 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1120-92 Water, Land Use, and Hawaiian Affairs and Transportation on S.B. No. 2879

The purpose of this bill to permit the Board of Directors (Board) of the Aloha Tower Development Corporation (ATDC) to elect its Chairperson from among its members. Currently, the Director of the Department of Business, Economic Development, and Tourism is designated as Chairperson.

Testimony supporting passage of this bill was presented by the ATDC, which indicated that as the project advances past the planning and development stages, another member of the Board may be more qualified to serve as Chairperson.

Your Committees on Water, Land Use, and Hawaiian Affairs and Transportation are in accord with the intent and purpose of S.B. No. 2879, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1121-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2708

The purpose of this bill is to correct the inadvertent omission of a citation in section 209 of the Hawaiian Homes Commission Act, 1920, as amended, upon passage of Act 150, Session Laws of Hawaii 1990.

The Department of Hawaiian Home Lands testified in support of this measure.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2708, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1122-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2738

The purpose of this measure is to extend the deadline from January 1, 1992 to January 1, 1993 for the Department of Land and Natural Resources (DLNR) to enter into long term lease agreements with qualified residents of Kalawahine, Oahu.

DLNR presented testimony to the effect that more time is required for the subdivision of the lands and the obtaining of necessary state and county approvals, and indicated its preference for the December 31, 1993 deadline contained in the companion measure, House Bill No. 3061, H.D. 1.

Your Committee has amended this bill to ensure that DLNR is able to comply with the new deadline, by extending it to December 31, 1993 as requested.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2738, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1123-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2734

The purpose of this measure is to extend the deadline from July 1, 1992 to July 1, 1993 for the Department of Land and Natural Resources (DLNR) to enter into long term lease agreements with residents of Kahana Valley State Park who have agreed to participate in interpretive programs depicting traditional Hawaiian customs.

Testimony from DLNR on this bill indicated that although the deadline has been extended previously, the establishment of a "living park" has proven complex, and more time is required to obtain certain State and County approvals.

A technical, nonsubstantive amendment was made 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 S.B. No. 2734, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2734, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1124-92 Finance on S.B. No. 484

The purpose of this bill is to provide four additional staff positions for the Statewide Center for Students with Hearing and Visual Impairments.

More specifically, this bill appropriates an unspecified sum to:

- (1) Convert two federally funded positions -- a psychological examiner IV, and a social worker IV -- to permanent State-funded status; and
- (2) Establish two other permanent State-funded positions -- a resource teacher for the hearing impaired and a school psychologist.

Testimony in support of this bill was submitted by the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, Hawaii Services on Deafness, the Aloha State Association of the Deaf, Kapiolani Community College, the Gallaudet University Regional Center, Island Skill Gathering, and concerned parents and citizens. The Department of Education testified in support of the intent of the bill.

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

- (1) Deleting references to the resource teacher and school psychologist;
- (2) Inserting the sum of \$45,576 in general funds for fiscal year 1992-1993 for the establishment of one permanent psychological examiner IV position and one permanent social worker IV position; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and consistency.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 484, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1125-92 Finance on S.B. No. 2547

The purpose of this bill, as received by your Committee, is to postpone the effective date of Act 335, Session Laws of Hawaii 1991, that established a new chapter governing the award of grants, subsidies, and purchases of service, to July 1, 1993.

Your Committee has amended the bill by deleting the substance and inserting the language reflected in H.B. No. 3102, H.D. 1, which was earlier reported out of your Committee on Finance. As amended, the purpose of this bill is to improve the grants, subsidies, and purchases of service process by, among other things:

- (1) Establishing within the Office of State Planning an Executive Coordinating Council to review and make recommendations on subsidies and purchases of services;
- (2) Repealing the award of grants by the State; and
- (3) Appropriating \$100,000 to coordinate a planning process to ensure that health and human services are addressed.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2547, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2547, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1126-92 Finance on S.B. No. 2906

The purpose of this bill is to ensure continued conformity of Hawaii's income tax law with changes to the Internal Revenue Code.

Specifically, this bill would provide a six-month extension to June 30, 1992, of the low-income housing tax credit, the exclusion for employer-provided educational assistance, and the partial deduction of health insurance premiums for self-employed individuals.

Your Committee received testimony in support of this bill from the Department of Taxation, the Housing Finance and Development Corporation, the Chamber of Commerce of Hawaii, and the Hawaii Society of Certified Public Accountants. The Tax Foundation of Hawaii also submitted comments.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2906 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1127-92 Finance on S.B. No. 2909

The purpose of this bill is to accelerate the payment and collection of withholding income taxes, public service company taxes, and bank and other financial corporation taxes for certain taxpayers.

More specifically, this bill would require taxpayers with tax liabilities over \$100,000, to pay their taxes by the tenth day instead of the fifteenth day following the calendar month the taxes were withheld. Public service companies and financial institutions with tax liabilities over \$100,000, would pay their taxes on a monthly basis.

Under current law, payment of:

- (1) Withholding taxes are due by the fifteenth day following the month the taxes were withheld; and
- (2) Public service company taxes and bank and other financial corporation taxes are due on the twentieth day of the fourth month following the close of the taxable year with the option of paying on a quarterly basis.

Your Committee received testimony in support of this bill from the Department of Taxation (DoTax). DoTax testified that accelerating the payment and collection of these three taxes for certain taxpayers will maximize the State's interest revenues on the taxes collected. Testimony was also submitted by the Tax Foundation of Hawaii, GTE Hawaiian Tel, and Hawaiian Electric Industries, Inc.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2909 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1128-92 Finance on S.B. No. 480

The purpose of this bill is to appropriate \$40,000 to the Department of Health to establish a statewide resource team that will set up a comprehensive program of mental health services for deaf and hard-of-hearing persons.

In establishing this program, the Director of Health would be required to follow the recommendations of the report titled, "A Plan for the Delivery of Mental Health Services to Persons Who Are Deaf and Hard-of-Hearing", which was submitted by the Hawaii State Coordinating Council on Deafness.

Testimony in strong support of this measure was submitted by the Hawaii State Coordinating Council on Deafness, the Hawaii Services on Deafness, the Diamond Head Community Mental Health Services Branch of the Department of Health, and several individuals. The Department of Health and the Commission on Persons with Disabilities supported the intent of this bill; however, they expressed reservations because of budgetary constraints.

This bill has been amended by:

- (1) Reducing the appropriation amount to \$1 for the purpose of continued 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. 480, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 480, H.D. 2.

Signed by all members of the Committee.

SCRep. 1129-92 Finance on S.B. No. 2420

The purpose of this bill is to establish the Food Safety Consultative and Education Program within the Department of Health (DOH) to provide voluntary food safety surveillance and control and educational activities to assist the food service industry and foodhandlers.

Your Committee received supporting testimony from the DOH.

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. 2420, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2420, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1130-92 Finance on S.B. No. 3288

The purpose of this bill is to modernize escrow practices and strengthen the regulation of the escrow industry in the State.

Among other things, this bill:

- (1) Increases administrative penalties;
- (2) Authorizes the removal of officers or directors;
- (3) Increases licensing fees; and
- (4) Requires escrow companies to seek approval when there is a change in the control or sale of the company.

The Department of Commerce and Consumer Affairs submitted testimony in support of the measure.

Technical, nonsubstantive amendments were made to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3288, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3288, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1131-92 Finance on S.B. No. 2997

The purpose of this bill is to appropriate an unspecified sum to plan and design the implementation of the Kahuku Flood Relief Master Plan (Master Plan).

Testimony in support of this measure was submitted by the Department of Education and the Estate of James Campbell. The testimony indicated that:

- (1) The flooding in the Kahuku area continues to cause severe damage to the Kahuku Intermediate and High School, oftentimes prompting school officials to close the school for several days;
- (2) Preliminary investigations have concluded that the development of surrounding areas, specifically a park, fire station, and the Kahuku Elementary School, has possibly led to much of the hydrologic problems that cause heavy rain water inundation at the Intermediate and High School;
- (3) Due to the scope of the project, including the study of wetland areas, the Master Plan must be conducted on a coordinated basis between the State, the City and County of Honolulu, and the United States Army Corp of Engineers; and
- (4) The sum of \$250,000 for such a Master Plan is included in the proposed budget of the Budget and Finance Committee of the Honolulu City Council.

This bill has been amended by inserting the sum of \$1 in the appropriation section for the purpose of further discussion.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2997, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2997, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1132-92 Finance on S.B. No. 3100

The purpose of this bill is to:

- (1) Authorize the Commissioner of Financial Institutions (Commissioner) to impose administrative penalties on any financial institution and institution-affiliated party for certain specified violations;
- (2) Require financial services loan companies to submit to the Commissioner semiannual reports as of June 30 and December 31; and
- (3) Increase the penalty to \$1,000 for any late filings of semiannual reports of condition.

The Department of Commerce and Consumer Affairs, the Hawaii Credit Union League, and the Hawaii League of Savings Institutions testified in support of the concept of the measure. Your Committee also received testimony from the Hawaii Financial Services Association.

Your Committee made technical, nonsubstantive amendments for the purposes of clarification, consistency, and style.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3100, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3100, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1133-92 Finance on S.B. No. 3237

The purpose of this bill is to extend the authority of the Board of Regents to set the salary of the University of Hawaii President to July 1, 1998.

The salary setting authority of the Board of Regents is currently set to expire on July 1, 1996. At that time the Legislature will assume the salary setting responsibility for the President of the University of Hawaii (UH).

Testimony on this measure was submitted by the UH Board of Regents requesting permanent salary setting authority for the presidential position.

Your Committee notes that a national search for a new UH President is underway, and that this particular salary setting measure, hopefully, will facilitate that process, and result in the appointment of a scholar-administrator well-qualified and suited for this pivotal leadership position in the State's public higher education system.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3237, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1134-92 Finance on S.B. No. 3044

The purpose of this bill is to conform State law on parking for persons with disabilities with the guidelines established on the federal level.

Your Committee received testimony in support of this measure from the Department of Transportation, the Commission on Persons with Disabilities, the City and County of Honolulu Department of Finance, the City and County of Honolulu

Department of Human Resources, Hawaii Centers for Independent Living, Paralyzed Veterans of America in Hawaii, the Big Island Disabled Parking Committee, and Handicapped Advocacy Works.

Because the various states employed different methods to identify vehicles used by persons with disabilities, Public Law 100-641 was enacted to establish a uniform parking system for persons with disabilities who are limited or impaired in their ability to walk. By amending State law to conform to the federal guidelines, this bill will enhance access and safety of persons with disabilities.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3044, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1135-92 Finance on S.B. No. 2824

The purpose of this bill is to provide reimbursement to the counties for the costs of motor vehicle plates issued to the State and for the administrative costs of furnishing these plates.

Testimony in support of this bill was submitted by the Department of Finance of the City and County of Honolulu.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2824, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1136-92 Finance on S.B. No. 2853

The purpose of this bill is to change the term "handicapped" or related terms, as they appear in the Hawaii Revised Statutes, to "disability" or related terms.

Your Committee received testimony in support of this bill from the Office of Affirmative Action, the Commission on Persons with Disabilities, and the Hawaii Civil Rights Commission.

Since the "disability" terminology is preferred by the persons to whom it is applied, this measure expresses greater sensitivity and a more positive view of these individuals.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2853, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1137-92 Finance on S.B. No. 2712

The purpose of this bill is to:

- (1) Authorize the Department of Health (DOH) to establish charges and collect fees for any diagnostic, medical, or treatment services related to tuberculosis treatment or control, regardless of a patient's ability to pay for such services;
- (2) Delete provisions allowing Leahi Hospital, Hilo Hospital, Samuel Mahelona Memorial Hospital, and Kula Hospital to contract with public or private agencies or persons relating to testing, diagnosis, examination, care, treatment, hospitalization, or rehabilitation;
- (3) Allow the assignment of medical insurance payments to DOH; and
- (4) Eliminate DOH's authorization to establish, impose, and enforce special conditions for any tuberculosis-related test, diagnosis, examination, medicine, care, treatment, hospitalization, or rehabilitation administered to persons who have not resided in the State for at least a year.

Testimony in support of this measure was submitted by the DOH which assured your Committee of its commitment to providing treatment for all persons with tuberculosis, regardless of their ability to afford treatment. Supportive testimony was also submitted by the Hawaii Medical Association.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2712 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1138-92 Finance on S.B. No. 1151

The purpose of this bill is to:

- (1) Repeal certain cumbersome statutory requirements for intragovernmental transfers of civil service employees:
and
- (2) Facilitate the transfer of civil service employees to different positions within a department or between two departments.

Current collective bargaining constraints and the multiplicity of salary ranges has made intragovernmental transfers very difficult for deserving and qualified employees. The Committee on Labor in recommending referral of this measure to your Committee on Finance noted that the present intragovernmental transfer statutory scheme unduly complicates transfers between bargaining units. Moreover in some instances, the current statutory scheme results in the classification of some transfers or promotions as demotions due to different salary schedules negotiated through the collective bargaining process.

This measure would simplify intragovernmental transfers by authorizing the transfer of employees within a department or between two departments without a reduction in pay, if made with the approval of the affected departmental executive or executives and the Director of Personnel Services.

Testimony in support of this bill was submitted by the Department of Personnel Services, the Judiciary, the City and County of Honolulu Department of Personnel Services, the Maui County Department of Personnel Services, the Kauai County Department of Personnel Services, and the Hawaii Government Employees Association.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1151 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1139-92 Finance on S.B. No. 1516

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in the sum of \$9,000,000 for the purpose of assisting the Castle Medical Center with tax-exempt financing or refinancing, to:

- (1) Make needed improvements to its existing health care and parking facilities;
- (2) Purchase capital equipment; and
- (3) Refinance debts of \$4,022,951 for capital equipment already acquired and completed improvements to existing facilities.

Testimony in support of the measure was submitted by the Castle Medical Center.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1516, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1140-92 Finance on S.B. No. 2722

The purpose of this bill is to redesignate the responsibility of issuing warrants for Hawaii Registered Nurse Student Loan Fund payments from the Director of Health to the Comptroller.

Testimony in support of this measure was submitted by the Department of Health and the Hawaii Nurses' Association.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2722 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1141-92 Finance on S.B. No. 3186

The purpose of this bill is to provide a General Excise Tax (GET) exemption for amounts received by operators of orchard properties in amounts equal to and which are disbursed by the operator for employee wages, salaries, payroll taxes, insurance premiums, and benefits, such as retirement, vacation, sick pay, and health benefits.

The Department of Agriculture, Ka'u Agribusiness, and Mauna Loa Macadamia and Mauna Kea Agribusiness testified in support of the bill. Your Committee also received testimony from the Tax Foundation of Hawaii.

Although the Department of Taxation opposed this bill, your Committee notes that this measure seeks to gain the same exemption presently allowed to an operator of a hotel from the owner of the hotel.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3186, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1142-92 Finance on S.B. No. 2742

The purpose of this bill is to provide the Director of Personnel Services (Director) with greater flexibility in determining and establishing the manner in which State civil service positions will be filled, on a temporary basis, to meet the demands of a highly competitive labor market.

In filling positions, the Director will continue to be guided by the provisions set forth in Section 78-1, Hawaii Revised Statutes, and the following standards:

- (1) Equal opportunity;
- (2) First consideration for competent employees already within the public service system; and
- (3) Impartial selection of the ablest person through competitive means that are fair, objective, and practical.

The provisions of this measure will be repealed on June 30, 1994.

It is your Committee's intent to provide:

- (1) Wide latitude needed by the Director to expedite the hiring of the most willing, able, and competent State employees; and
- (2) Opportunities for career advancement for current employees.

Your Committee received testimony in support of this bill from the Department of Personnel Services, the Judiciary, and the Hawaii Government Employees Association.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2742, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1143-92 Finance on S.B. No. 2877

The purpose of this bill is to:

- (1) Allow the High Technology Development Corporation (HTDC) to provide grants of up to fifty percent of federal awards to a maximum of \$25,000 to each business in Hawaii that receives a Federal Small Business Innovation Research Phase I award or contract; and
- (2) Give preference to all qualified businesses receiving their first award in one fiscal year over multiple award grantees.

Currently, the HTDC is required to provide grants equal to fifty percent of federal awards up to a maximum of \$25,000. This bill would provide the HTDC with greater flexibility in considering requests for grants, and hopefully, ensure that there are sufficient funds to satisfy all qualified first time awardees.

Testimony in support of this bill was submitted by the HTDC.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2877, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1144-92 Consumer Protection and Commerce on S.B. No. 2771

The purpose of this bill is to provide financial services loan companies with the authority to sell accidental death and dismemberment policies, fixed rate annuities, and to issue letters of credit if the deposits are insured by the Federal Deposit Insurance Corporation.

Your Committee received testimony from the Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, Inc., Hawaii State Association of Underwriters, Hawaii Association of Domestic Life Insurers, and the American Council of Life Insurance.

Your Committee amended the bill to expand the services that financial services loan companies may offer, including the sale of auto club memberships and home and automobile security plans. The amendments provide the following:

- (1) Subjects the sale of auto club memberships and home and automobile security plans to the approval of the Commissioner of Financial Institutions of the State;
- (2) Requires that sale of annuities be approved by the Insurance Commissioner as well as the Commissioner of Financial Institutions and requires that sales of annuities be made by licensed insurance salespeople; and

- (3) Adds a definition of "depository licensee."

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2771, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2771, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1145-92 Consumer Protection and Commerce on S.B. No. 2777

The purpose of this bill is to exempt certain accommodation activities offered by hotels and air carriers from Hawaii's travel agency law.

Your Committee received testimony supporting the intent of the bill from the Department of Commerce and Consumer Affairs, Hawaii Business League, Aloha Airlines, Hawaii Hotel Association, and Outrigger Hotels Hawaii.

While the measure adds a new section to the law, your Committee finds that the language proposed in the bill does not adequately address the problem. The bill excludes carriers that provide travel services "for which it does not accept money from a consumer." However, in the case of an air carrier, money is accepted for the basic service provided--the air fare. In addition, the carrier may accept payment and pass it on to another provider, such as a car rental agency, without receiving a commission. The language provided in this bill would not exempt the carrier in these instances because money was received.

The bill parallels H.B. 2986, H.D. 1, in its intent. Accordingly, your Committee has substituted the provisions of H.B. 2986, H.D. 1, in this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2777, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2777, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1146-92 Consumer Protection and Commerce on S.B. No. 3286

The purpose of this bill is to revise the composition of the State Board of Public Accountancy to reflect changes in the occupational make-up of Hawaii's public accountancy industry.

Specifically, the provisions of this bill:

- (1) Increase the number of certified public accountant board members from five to six;
- (2) Decrease the number of public accountant board members from two to one; and
- (3) Eliminate a requirement that certified public accountant board members be in active practice while serving on the Board of Public Accountancy.

Supportive testimony was submitted by the State Board of Public Accountancy (Board) and the Hawaii Society of Certified Public Accountants.

Your Committee finds that because licenses for public accountancy are no longer issued by the Board, the number of active public accountant positions within the workforce has declined over the years due to the retirement of many of Hawaii's public accountants. As of September 1991, only fifty-one public accountants were authorized to practice in the State, as compared to the 987 certified public accountants in practice during that same time. In light of this, your Committee finds that the provisions of this bill would adequately address this condition in the work force by providing certified public accountants additional representation on the Board.

While your Committee is in accord with the intent of this bill, your Committee notes that:

- (1) The elimination of the requirement that certified public accountant board members be in active practice while serving as members of the Board may possibly affect the Board's ability to regulate the industry. Questions have been raised regarding whether the elimination of this requirement would allow persons lacking the necessary expertise and knowledge to serve on the Board; and
- (2) The State has experienced difficulty in recruiting qualified certified public accountants in active practice for appointment to the Board, even though there are certified public accountants who are employed by various corporations and other entities and, therefore, not in active practice, but who could also be tapped to serve on the Board.

Accordingly, your Committee has amended this bill by:

- (1) Requiring that only four of the six certified public accountant members be in active practice; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3286, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1147-92 Energy and Environmental Protection on S.B. No. 2718

The purpose of this bill is to amend Act 200, Session Laws of Hawaii 1991, to correct a drafting error.

Your Committee finds that Act 200, as written, would allow the disposal of oil onto the ground with the approval of the Director of Health and the owner of the land. Senate Bill No. 2718, S.D. 1, clarifies that it was never the intent of the Legislature in the enactment of Act 200 to allow for the provisional dumping of used oil onto the ground. This bill also extends the deadline for adoption of rules for field screening reports and the repeal date of Section 342N-30(c) from 1993 to 1994.

The Department of Health testified that this was a housekeeping bill to clear up any misconception that oil could be discharged onto the ground under certain conditions.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 2718, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1148-92 Energy and Environmental Protection on S.B. No. 2607

The purpose of this bill is to amend the State's permit requirements for hazardous waste facilities to bring them into conformity with the federal Environmental Protection Agency's (EPA) permit requirements.

Your Committee finds that this bill will eliminate the significant difference between existing State and EPA permit requirements for the operation of hazardous waste facilities in the State.

Your Committee finds that the State is actively preparing to seek federal authorization to regulate hazardous waste in Hawaii in lieu of the federal program. However, until federal approval is obtained, federal laws and regulations will continue to have primacy in the State. This bill will permit local hazardous waste facilities that are in compliance with federal permitting standards to be authorized to operate under State law upon EPA approval of the transfer of authority.

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

Your Committee has amended the bill by deleting the words "or before" as they relate to the time of existence of a hazardous waste facility, as recommended by the Department of the Attorney General.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of S.B. No. 2607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2607, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1149-92 Judiciary on S.B. No. 3354

The purpose of this bill is to both upgrade the penalties for repetitive acts of harassment and to proscribe the stalking of another person or the transmitting of unauthorized facsimiles communications.

Testimony in favor of this measure was received from the Department of the Attorney General, the Honolulu Police Department, the Hawaii State Commission on the Status of Women, the Hawaii State Committee on Family Violence, the Sex Abuse Treatment Center, Sex Abuse Interventions, Child and Family Service, the American Association of University Women, and the Hawaii State Coalition Against Sexual Assault. Testimony against this measure was received from the Office of the Public Defender and the American Civil Liberties Union.

Currently, the law of harassment does not adequately address instances where an individual repeatedly harasses or "stalks" or pursues another person. These types of conduct prelude threats or actual instances of physical violence. While all those testifying were in agreement that these types of conduct are reprehensible and not to be condoned, the Office of the Public Defender and the American Civil Liberties Union were concerned with what was perceived as vague and ambiguous terms which were not defined in the bill. Without clarification, both agencies surmised that these terms could lead to unconstitutional and unintended application of the statute.

Upon the direction of your Committee, the Department of the Attorney General, the Office of the Public Defender, and the American Civil Liberties Union repeatedly met to work on language acceptable to all parties while keeping foremost the objectives of this bill: to upgrade the penalties for harassment and to proscribe stalking. These three agencies then presented the results of their work to this Committee for its consideration.

Your Committee, giving consideration to the concerns of all parties, has made the following changes to this bill:

- (1) Amended the purpose section;
- (2) Deleted Section 3;
- (3) Created a new section to be entitled "Harassment by stalking." This section provides that a person commits the offense of harassment by stalking if, with intent to harass, annoy, or alarm another person, or in reckless disregard of the risk thereof, that person pursues or conducts surveillance upon the other person:
 - (a) Without legitimate purpose; and
 - (b) Under circumstances which cause the other person to reasonably believe that the actor intends to cause bodily injury to the other person or another, or damage to the property of the other person or another.

Harassment by stalking is considered either a misdemeanor, if the person harasses another person by stalking on more than one occasion for the same or a similar purpose, or a petty misdemeanor. A person convicted under this section may also be required to undergo a counseling program as ordered by the court;
- (4) Deleted from Section 4 proposed language which would define harassment;
- (5) Amended section 711-1106(1)(c) to prohibit making a telephone call without the purpose of legitimate communication which would cause the recipient to reasonably believe that the actor intends to cause bodily injury to the recipient or another, or damage to the property of the recipient or another;
- (6) Amended section 711-1106(1)(d) to prohibit making repeated communications anonymously, or at an extremely inconvenient hour, or in offensively coarse language, or by a facsimile transmission which would cause the recipient to reasonably believe that the actor intends to cause bodily injury to the recipient or another, or damage to the property of the recipient or another; and
- (7) Made technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3354, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3354, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1150-92 Judiciary on S.B. No. 2900

The purpose of this bill is to place authority for transferring prisoners to federal or out-of-state correctional institutions with the Director of Public Safety.

Testimony in support of this measure was received from the Department of Public Safety. Testimony in opposition was received from the ACLU.

This empowers the Director of the Department of Public Safety to transfer any Hawaii State inmate, committed as a felon, to any federal correctional institution or any other state correctional institution located in a state which is not a member of the Western Interstate Corrections Compact Agreement. Such transfer would be for the purpose of offering specialized treatment that cannot be afforded the inmate by the State of Hawaii. Specialized treatment may be for the care, custody, or control of the inmate. Such transfer could also occur if it is in the interest of good management of the State correctional facilities or in the interest of the inmate.

This bill is amended by deleting all language not present in this measure's original form.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2900, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2900, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1151-92 Judiciary on S.B. No. 2252

The purpose of this bill is to add a new section to the Hawaii Revised Statutes to exempt from attachment or execution real and personal property in Hawaii where another state seeks attachment or execution under a judgment relating to income taxes imposed on pension or retirement income.

Testimony in support of this measure was received from two private citizens. Testimony in opposition to this measure was received from the Department of Taxation.

This bill addresses the imposition of income taxes by California and other states on pension income received by individuals who formerly resided and worked in those states. The individuals may be currently residing in Hawaii, which does not impose an income tax on the income received as a pension for past services. The rationale underlying

imposition of income tax by other states is that pension or retirement benefits are related to the performance of services during the individuals' residency in those states.

Testimony received indicated that several states, foremost of which is Nevada, have enacted legislation to protect resident pensioners who draw their respective pensions from outside that state. The Nevada Revised Statutes currently reads:

21.090 Property exempt from execution.

1. The following property is exempt from execution, except as otherwise specifically provided in this section:

(n) All property in this state of the judgment debtor where the judgment is in favor of any state for failure to pay that state's income tax on benefits received from a pension or other retirement plan.

The Department of Taxation expressed concern that this bill may violate the full faith and credit clause under the United States Constitution and that other states may enact retaliatory legislation to deny the execution of judgments by the State of Hawaii within those states. The Nevada Department of Taxation reported, however, that there have been no challenges to subsection 21.090, Nevada Revised Statutes, in either state or federal courts.

Your Committee finds that as a matter of public policy, since Hawaii does not tax pension and retirement benefits, it is therefore not obligated to help those states that do tax pension and retirement benefits.

This bill is amended by making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2252, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1152-92 Judiciary on S.B. No. 2897

The purpose of this bill is to:

- (1) Combine into one list all regulated precursor chemicals;
- (2) Allow for disclosure of confidential records under Section 329-68, Hawaii Revised Statutes (HRS), to county agencies; and
- (3) Authorize the Department of Public Safety to add to the list of regulated precursor chemicals by adoption of rules under Chapter 91, HRS.

Testimony in support of this bill was submitted by the State Attorney General, the Director of Public Safety, and the Honolulu Police Department.

This bill was amended by deleting the provision authorizing the Department of Public Safety to add to the list of regulated precursor chemicals by adoption of rules under Chapter 91, HRS. Technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2897, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1153-92 Judiciary on S.B. No. 2229

The purpose of this bill is to:

- (1) Allow proof of prior similar acts committed by the same person against the same victim in felony prosecutions under Chapters 707 and 709, Hawaii Penal Code, where the prior acts occurred within twenty-four months of the incident which is the basis for the current prosecution and to allow proof of prior similar acts committed by the same person against the same victim in self-defense cases to prove that the alleged victim was the first aggressor ("proposed rule 404(c)");
- (2) Require notice prior to the admission of evidence of prior acts; and
- (3) Make nonsubstantive gender changes.

Testimony in support of this bill was received from the Honolulu Police Department, the Prosecuting Attorney for the City and County of Honolulu, the Sex Abuse Treatment Center, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Sexual Assault, and the Judiciary.

The testimony of the Judiciary incorporated by reference the Final Report of the Committee on Hawaii Rules of Evidence ("Final Report") prepared for the Hawaii Supreme Court and for the Legislature pursuant to Senate Concurrent

Resolution No. 136 and Senate Resolution No. 118, Fifteenth Legislature, 1990. The Final Report analyzed a number of cases relating to rule 404(b), including State v. Pokini, 57 Haw. 17, 548 P.2d 1397 (1976), State v. Castro, 69 Haw. 633, 756 P.2d 1033 (1988), and State v. Basque, 66 Haw. 510, 666 P.2d 599 (1983).

The Final Report stated that evidence of prior crimes of the accused is at least marginally relevant to show propensity, notwithstanding Pokini, however, such evidence risks the danger of unfair prejudice, confusion of the issues at trial, and misleading the jury. See, Final Report at 9. Nevertheless, the Committee members favoring proposed rule 404(c) stressed that:

[T]he modification is narrow and limited in scope to prior similar assaults committed by the accused against the same victim. The rationale is that repetitious abuse of the same victim, typically a household member, is a phenomenon that reveals a heightened propensity on the part of the abuser, a heightened propensity that fully justifies a new exception to the rule 404(b) exclusion.

* * *

One other situation would be affected by proposed rule 404(c) and, unlike the Castro reversal, this one would normally benefit accused persons. A person accused of assault or homicide who defends on the ground of self defense is entitled to prove that the alleged victim committed similar aggressions or assaults on previous occasions against her [the accused], but only to show the reasonableness of her fear of attack at the time she struck in self defense. In this situation, the prior assaults cannot be considered as evidence of the likelihood that the alleged victim was the aggressor on the occasion in question, for the reason that this use of the evidence would prove propensity and "action in conformity therewith" and thus violate rule 404(b). Rule 404(b), in such a situation, requires a jury instruction explicitly admonishing jurors not to consider the proof as affecting the likelihood that the alleged victim was in fact the aggressor;...The [Supreme] Court has thus already countenanced the sort of proof envisioned by proposed rule 404(c)(2), and the proposal merely conforms the rule and approves the Basque result in this limited context.

The State Attorney General testified that the proposed rule 404(c) is unnecessary, because there is nothing wrong with rule 404 and evidence of this nature is frequently admissible to prove other relevant issues, such as motive, opportunity, intent, preparation, plan, knowledge, identity, modus operandi, or absence of mistake or accident. The State Attorney General also testified that the proposed amendments will only create new problems and that what is probably needed is a clarification of the categories for such evidence and a strong statement by the Legislature disapproving the narrow construction of rule 404 in Castro and Pokini. Finally, the State Attorney General pointed out that the recent case of State v. Renon, Sup. Ct. No. 14876 (Hawaii Supreme Court, March 18, 1992), indicates an expanded construction of rule 404(b), thereby substantiating the position that the amendment proposed by this bill is unnecessary.

Testimony in opposition to this bill was received from the State Public Defender. The State Public Defender testified that the proposed rule change in this measure:

[O]verturms long held and centuries old common law doctrines that have been codified in both the Hawaii Rules of Evidence and the Federal Rules of Evidence. Neither the Federal Rules of Evidence nor evidentiary rules of virtually every other state in the Union embodies such a rule. Indeed, we believe that the proposed rule is unconstitutional, as it deprives the defendant the right to a fair trial and thus violates the defendant's right to due process of law.

Your Committee finds that:

- (1) "[T]he repetitious abuse of the same victim, typically a household member, is a phenomenon that reveals a heightened propensity on the part of the abuser, a heightened propensity that fully justifies a new exception to the rule 404(b) exclusion." See, Final Report at 9. The same is likewise true in cases involving continuing and escalating hostilities between rival gangs;
- (2) The admission of evidence of prior crimes, wrongs, or acts, not limited to similar acts against the same victim, is allowed where such evidence is probative of relevant issues such as motive, opportunity, intent, etc., and the probative value of the evidence substantially outweighs the danger of unfair prejudice, and other factors mentioned in Rule 403; see, State v. Renon at 10;
- (3) In light of Renon, evidence of prior crimes, wrongs, or acts will be allowed in virtually all cases involving abuse of household members and in many cases involving continuing and escalating hostilities between rival gangs to prove motive, opportunity, intent, etc.;
- (4) The proposed rule 404(c) is a narrow and limited exception to the rule 404(b) exclusion, since there will be a very small class of cases in which this type of evidence would not otherwise be admissible;
- (5) Allowing evidence of prior similar acts against the same victim to show propensity will simplify issues by allowing the courts to focus on the issue of whether the evidence is unduly prejudicial under rule 403. If the evidence meets the requirements of proposed rule 404(c), the evidence is probative and the court must determine whether the probative value of the evidence substantially outweighs the danger of unfair prejudice under rule 403. See, HRE 403; State v. Renon at 17-20;
- (6) The proposed rule 404(c) requires reasonable notice to be given to the defendant, with certain exceptions, to allow the defendant the opportunity to refute or address the evidence or accusations and to avoid unfair surprise.

This bill has been amended by:

- (1) Extending the proposed rule 404(c) to cover misdemeanor cases under Chapter 709 because these cases often involve a history of prior abusive acts;
- (2) Extending the proposed rule 404(c) to include prior acts within five years of the incident which is the basis of the current prosecution, because such cases often extend over periods longer than twenty-four months;
- (3) Inserting a provision directing the Revisor of Statutes to take appropriate action to publish the commentary to the Hawaii Rules of Evidence; and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2229, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2229, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1154-92 Judiciary on S.B. No. 2228

The purpose of this bill is to make housekeeping as well as some of the less controversial substantive changes recommended to the Legislature in the Final Report of the Committee on Hawaii Rules of Evidence. More specifically, this bill:

- (1) Substitutes appropriate language in Rule 412 for the term "rape", which term is no longer used in the Hawaii Penal Code, and clarifies that the shield of Rule 412 applies only to evidence offered to prove the character of the victim;
- (2) Conforms the attorney-client privilege in Rule 503 to the attorneys' professional responsibility rules and provides for waiver of the attorney-client privilege in civil cases by a client's representative;
- (3) Modifies Rule 608 to allow, at the discretion of the court, the use of independent proof of prior acts of a witness that may be relevant to assessing the credibility of the witness;
- (4) Amends Rule 702 to authorize the court, in determining the issue of assistance to the trier of fact, to consider the trustworthiness and validity of the scientific technique or mode of analysis employed by an expert witness;
- (5) Includes "sounds" within the meaning of "writings and recordings" for purposes of the original document rule requirement of Rule 1001; and
- (6) Neutralizes gender language throughout the evidence code.

Testimony in support of this measure was received from the Judiciary.

Testimony in opposition to this measure was received from a private attorney. The testimony concerned possible problems associated with allowing a client's representative to waive the attorney-client privilege on behalf of the client.

Your Committee has amended this bill by deleting the provision allowing a client's representative to waive the attorney-client privilege.

Your Committee has also amended this bill by inserting a provision directing the Revisor to Statutes to take appropriate action to publish the commentary to the Hawaii Rules of Evidence.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2228, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2228, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1155-92 Judiciary on S.B. No. 3062

The purpose of this bill is to:

- (1) Give hunters who are sixty-five years of age or older the option to contribute to the Wildlife Revolving Fund by allowing them to pay the \$10 hunting license fee on a voluntary basis;
- (2) Require the Department of Land and Natural Resources (DLNR) to establish minimum age requirements for obtaining a Hunter Education Certificate;
- (3) Increase the annual hunting license fee for non-residents from \$20 to \$95;
- (4) Make the fee voluntary for Kalaupapa residents with Hansen's disease; and
- (5) Provide for revocation of the Hunter Education Certificate upon conviction of a wildlife and/or firearms violation.

Testimony in support of this bill was received from DLNR, Koko Head Skeet Club, and Hawaii Rifle Association.

The bill was amended to require that free licenses for people sixty-five years of age or older be restricted to Hawaii residents. Technical, nonsubstantive changes were made for purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3062, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3062, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1156-92 Consumer Protection and Commerce on S.B. No. 3436

The purpose of this bill is to allow applicants for a Hawaii Osteopathic license to serve an internship of at least one year in a hospital approved by the American Osteopathic Association (AOA) and the American College of Osteopathic Surgeons, or in a hospital approved by the American Medical Association (AMA).

The Hawaii Board of Osteopathic Examiners and a private citizen testified in support of the bill.

Forty-two states require a one-year internship in either an AOA or AMA hospital. Eight states require an internship in an AOA hospital only, including Hawaii. This bill will give more flexibility to recent graduates without compromising the licensure requirements.

Your Committee amended the bill to reflect that the hospital must be accredited by the AMA. Your Committee notes that accreditation by the AMA is delegated within the AMA to the Accreditation Council for Graduate Medical Education, but that accreditation is actually approved by the AMA.

Your Committee made a grammatical non-substantive amendment to remove a comma before the phrase "if the applicant graduated prior to 1943" in subsection §460-6(3), to clarify that equivalency is considered only for those who graduated prior to 1943.

Technical, nonsubstantive amendments were also made for purposes of conformity to the Ramseyering convention.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3436, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3436, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1157-92 Consumer Protection and Commerce and Judiciary on S.B. No. 2678

The purpose of this bill is to conform State laws with the provisions of the federal Prescription Drug Marketing Act of 1987 (PDMA) and the Code of Federal Regulations (21 C.F.R. part 205) by:

- (1) Authorizing the Board of Pharmacy to establish licensure requirements for wholesale prescription drug distributors;
- (2) Directing the Department of Health to inspect the facilities, operations, and administrative practices of wholesale prescription drug distributors; and
- (3) Establishing minimum standards in conformance with federal mandates regarding the storage and handling of prescription drugs.

Supportive testimony was submitted by the Department of Health (Department), and the State Board of Pharmacy.

Your Committees have learned that the United States Congress enacted the PDMA to address heightened concerns regarding the illegal diversion of prescription human drugs. Specifically, inter alia, the PDMA:

- (1) Prohibits persons from engaging in the wholesale distribution of prescription human drugs unless the distributor is licensed in accordance with federally prescribed standards by the state in which such commercial activities occur; and
- (2) Stipulates that the licensing standards of each state be at least equal to those established in the guidelines issued by the federal Food and Drug Administration (21 C.F.R. part 205) regarding licensure of wholesale prescription drug distributors, the storage and handling of prescription drugs, and the establishment and maintenance of records related to the distribution of prescription drugs.

It has come to your Committees' attention that the required conformance of state laws to the federal standards outlined in the PDMA and 21 C.F.R. part 205 must be completed by September 14, 1992. Failure to implement these mandates would force the federal Food and Drug Administration to prohibit Hawaii's prescription drug wholesalers from receiving drugs through interstate commerce. Should that happen, the supply of prescriptive drugs in Hawaii would likely decrease, precipitating shortages in the marketplace and higher consumer prices, as well as threatening the safety and well-being of the consuming public.

Your Committees believe that the provisions of this bill will adequately conform Hawaii's laws to federal standards as well as ensure the protection of consumers in the State. In light of this, your Committees are in accord with the intent of this bill. However, upon further consideration, your Committees have amended this bill in the following manner:

- (1) Conformed the penalty provision in Section 2 of this bill with Hawaii's Penal Code by clarifying that any violation of the proposed part of Chapter 328, Hawaii Revised Statutes, or rules adopted pursuant to the proposed part, shall constitute a misdemeanor offense;
- (2) Stipulated that future revisions to the standards established by this bill be implemented only upon the approval of the Legislature by eliminating a provision which would have repealed portions of this bill pertaining to the Department's inspection of the storage, handling, and recordkeeping practices of wholesale prescription drug distributors, once administrative rules (to be promulgated by the Department) took effect; and
- (3) Made technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 2678, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2678, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1158-92 Finance on S.B. No. 2714

The purpose of this bill is to update statutory provisions relating to practices for the treatment and care of individuals with Hansen's Disease, and to repeal sections that are no longer applicable or necessary.

More specifically, this measure:

- (1) Sets forth a State policy ensuring lifelong health care and medical treatment to any person who was institutionalized for segregation by order of the Department of Health (DOH) because of Hansen's Disease as long as the person resides in the State;
- (2) Requires the DOH to establish and maintain facilities and services necessary for the care and treatment of persons afflicted with Hansen's Disease and persons institutionalized for segregation by order;
- (3) Allows the DOH to make arrangements for the care and treatment of persons afflicted with Hansen's Disease in residential facilities, in addition to hospitals and nursing homes;
- (4) Clarifies provisions relating to the employment, compensation and pension of persons afflicted with Hansen's Disease at treatment facilities;
- (5) Establishes a fine of up to \$1,000 for photographing, filming, or videotaping any Hansen's Disease patient at any facility maintained by the DOH without the written permission of the patient;
- (6) Allows patient residents of Kalaupapa to leave the community without loss of financial allowance or coverage of health care costs; and
- (7) Deletes provisions relating to the care of pregnant women with Hansen's Disease and children born to these mothers; rehabilitation of patients on temporary release for transition into society; and permits for people who engage in the treatment of persons afflicted with Hansen's Disease.

The DOH submitted testimony in support of the measure.

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. 2714, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2714, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1159-92 Finance on S.B. No. 2707

The purpose of this bill is to:

- (1) Establish school-level minor repair and maintenance accounts, not to exceed \$8,000 per public school;
- (2) Exempt the Department of Education (DOE) from having to advertise for bids for expenditures less than \$15,000 for school-level minor repair and maintenance projects;
- (3) Appropriate \$1,888,000 for fiscal year 1992-1993 for the school-level minor repair and maintenance accounts of the public schools;

- (4) Convert the twelve positions of the roving repair and maintenance crew of the Honolulu school district from temporary to permanent civil service status; and
- (5) Appropriate \$10,750,000 for fiscal year 1992-993 to hire additional staff for a third roving repair and maintenance crew for the Honolulu and Leeward school districts.

The Department of Accounting and General Services, the Department of Education, the Hawaii State Teachers Association, and the Hawaii Congress of Parents, Teachers and Students Association, the Hawaii Business Roundtable, and the Honolulu District School Advisory Council.

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

- (1) Deleting the section converting the twelve positions of the roving repair and maintenance crew of the Honolulu school district from temporary to permanent civil service status;
- (2) Deleting the section hiring additional staff for a third roving repair and maintenance crew for the Honolulu and Leeward school districts and appropriating funds for this purpose; 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 S.B. No. 2707, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2707, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1160-92 Finance on S.B. No. 3377

The purpose of this bill is to:

- (1) Establish a permanent program within the Department of Education (DOE) to continue the visitor industry practicum courses pilot project at Wallace Rider Farrington (Farrington) and Waipahu High Schools; and
- (2) Establish a visitor industry practicum courses pilot project at one high school in each of the counties of Kauai, Maui, and Hawaii; and
- (3) Appropriate \$50,000 to the Tourism Training Council of the Department of Labor and Industrial Relations (DLIR) for the pilot projects in the counties of Kauai, Maui, and Hawaii.

Testimony in support of this bill was submitted by the DOE, the DLIR, the Commission on Employment and Human Resources of the DLIR, the Chamber of Commerce of Hawaii, and the Maui Hotel Association.

Rather than expand the visitor industry practicum courses pilot project in high schools in each of the counties of Kauai, Maui, and Hawaii, your Committee finds that it would be more prudent and expedient to make the existing project on Oahu permanent. Accordingly, this bill has been amended by:

- (1) Deleting the establishment of a visitor industry practicum courses pilot project at one high school in each of the counties of Kauai, Maui, and Hawaii;
- (2) Deleting the requirement that the Tourism Training Council report on the pilot project to the Legislature before the convening of the 1993 Regular Session;
- (3) Deleting the appropriation for the Neighbor Island pilot projects;
- (4) Appropriating \$33,000 to the DOE to establish a permanent visitor industry practicum courses program at Farrington and Waipahu High Schools;
- (5) Designating the DOE as the expending agency for the program; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3377, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3377, H.D. 2.

Signed by all members of the Committee.

SCRep. 1161-92 Finance on S.B. No. 3247

The purpose of this bill is to appropriate funds for the development of a self-help affordable housing subdivision in Hana, Maui.

Testimony was submitted in support of this bill by the Hana Affordable Housing and Community Development Corporation.

Your Committee has amended this bill by:

- (1) Reducing the sum appropriated for administrative costs from \$150,000 to \$1 for purposes of further discussion;
- (2) Reducing the sum appropriated for designing and constructing site improvements and infrastructure from \$2,000,000 to \$1 for purposes of further discussion; 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 S.B. No. 3247, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3247, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1162-92 Finance on S.B. No. 805

The purpose of this bill is to authorize the State Ethics Commission (Commission) to set the salary of its Executive Director.

Currently, Section 84-35, Hawaii Revised Statutes, sets forth the salary of the Executive Director, and the Commission establishes the salaries of the other employees.

The Commission testified in strong support of this bill, noting that the bill would return the authority of setting the salary of the Executive Director to the Commission as it existed between 1968 and 1982.

While your Committee supports the idea of authorizing the Commission to set the salary of the Executive Director, your Committee finds it appropriate for the Legislature to establish a salary ceiling for that position. Accordingly, your Committee has amended this bill by requiring that the salary of the Executive Director shall not exceed that of a deputy director. Technical, nonsubstantive amendments were also made to the bill to correct drafting errors.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 805, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 805, H.D. 1.

Signed by all members of the Committee.

SCRep. 1163-92 Finance on S.B. No. 3432

The purpose of this bill is to establish clear guidelines for the acceptance and subsequent repair and maintenance of donated equipment and fixtures to the Department of Education (DOE).

Testimony in support of the intent of the bill was submitted by the DOE, the Department of Accounting and General Services, the Hawaii State Teachers Association, the Honolulu District School Advisory Council, the Hawaii Business Roundtable's Action for Excellence Program, the Roosevelt High School Parent Teacher Student Association, and Diversified Plumbing and Air Conditioning.

Upon further consideration, your Committee has amended the bill by deleting all references to the term "new" when describing the condition of acceptable donations of equipment. Removing this specification will provide the DOE with the flexibility to accept previously used equipment.

In addition, 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. 3432, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3432, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1164-92 Finance on S.B. No. 2757

The purpose of this bill is to appropriate the sums of:

- (1) \$25,000 to establish the Royal Hawaiian Masters Rugby Festival to be held annually in Hawaii; and
- (2) \$25,000 for the Hawaii World Invitational Rugby Tournament hosted by the Hawaii Harlequins Rugby Football Club.

The bill also stipulates that no funds shall be made available unless matched dollar-for-dollar by private sector donations.

The Department of Business, Economic Development, and Tourism (Department) and the Hawaii World Invitational Rugby Tournament testified in support of this bill. However, the Department indicated its reservations about the availability of funding for these rugby projects and testified that funding for these projects should not replace the priorities indicated in its Executive Biennium and Supplemental Budgets.

Upon further consideration, your Committee has amended the bill by decreasing the appropriation sums from \$25,000 to the sums of \$12,500 for each event.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2757, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2757, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1165-92 Finance on S.B. No. 2419

The purpose of this bill is to appropriate \$100,000 to allow the Hawaii Civil Rights Commission (Commission) to pay for a Special Deputy Attorney General to represent the Commission and staff in a lawsuit filed by a former investigator who worked with the Commission.

Your Committee received supporting testimony from the Commission. The Commission testified that a special deputy was needed due to a potential conflict of interest arising from several instances in which the Department of the Attorney General is representing State agencies in complaints filed with the Commission.

The bill has been amended by decreasing the sum in the appropriation section from \$100,000 to \$50,000 for fiscal year 1992-1993.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2419, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2419, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1166-92 Finance on S.B. No. 3278

The purpose of this bill is to complete a comprehensive review of the State's laws relating to financial institutions by appropriating funds for this purpose and by authorizing the collection of funds from affected financial institutions through an assessment formula.

This review is aimed at completing the code of financial institutions mandated by Act 128, Session Laws of Hawaii 1990, and Act 245, Session Laws of Hawaii 1991.

State-chartered banks, state-chartered savings and loan associations, financial services loan companies, state-chartered credit unions, and trust companies could be assessed fees based on the asset size of the specific institutions.

The Department of Commerce and Consumer Affairs strongly supported this measure. The Hawaii Credit Union League and the Hawaii League of Savings Institutions did not fully support the proposed assessment formula.

Your Committee has amended the bill by:

- (1) Inserting the sum of \$2 in the appropriation section; 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. 3278, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3278, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1167-92 Finance on S.B. No. 2382

The purpose of this bill is to prevent the transmission of the human immunodeficiency virus (HIV), the hepatitis B virus, and other blood borne diseases by authorizing the Director of Health to establish a permanent sterile needle and syringe exchange program.

This bill would essentially provide for the continuation of the Sterile Needle and Syringe Exchange Pilot Program, which is scheduled to sunset on June 30, 1992.

Testimony in support of this bill was provided by the Department of Health, the Governor's Committee on HIV/AIDS, the Commission on Persons with Disabilities, the Hawaii Public Health Association, the Hemophilia Foundation of Hawaii, the Life Foundation (dba AIDS Foundation of Hawaii on Oahu), the Hawaii Nurses Association, a needle exchange volunteer, and an interested individual.

Your Committee recognizes that this type of program is not the complete answer for the injection drug user population. Instead, it serves as a stop-gap measure to reduce the transmission of various blood borne diseases and provides a first step towards eventual treatment for certain users. To significantly address the problem, however, your Committee finds that the sterile needle and syringe exchange program must be paired with a strong educational and counseling program. Accordingly, your Committee encourages all parties to look into the development of such a program.

This bill was amended by:

- (1) Consolidating the definition of terms into a new section that defines "department", "director", "participant", and "program";
- (2) Appropriating \$1 to the program for the purpose of continuing discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2382, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2382, S.D. 1, H.D. 3.

Signed by all members of the Committee.

SCRep. 1168-92 Finance on S.B. No. 2674

The purpose of this bill is to improve the administration and efficiency of the Child Support Enforcement Agency and to comply with federal law.

More specifically, this bill:

- (1) Requires the Family Court to review guidelines at least once every four years;
- (2) Specifies that the interest earned in the account for child support payments be used to offset maintenance and operational costs of the account;
- (3) Allows investigators to have appropriate access, including automated inquiry access, to records;
- (4) Permits disclosure of child support information for the purpose of enforcement; and
- (5) Allows hearings to be conducted by electronic communications methods at the discretion of the hearings officer.

Testimony in support of this bill was submitted by the State Attorney General.

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 S.B. No. 2674, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2674, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1169-92 Finance on S.B. No. 2964

The purpose of this bill is to provide \$200,000 as initial funding to establish support and assistance to families, professionals, and persons with autism via the creation of a Resource and Technical Assistance Project (Project).

The State Planning Council on Developmental Disabilities (Council), the University Affiliated Program of the University of Hawaii, the Autism Society of Hawaii, the Public Policy Program of the Roman Catholic Church, and several parents of autistic children testified in support of the bill. Supporting testimony was also received from Hawaii's congressional delegation.

Your Committee concurs with the recommendation contained in the Council's testimony regarding the composition of the Advisory Committee to include representation from the Child and Adolescent Mental Health and Developmental Disabilities Division of the Department of Health, the Special Education Section of the Department of Education, the Special Education Department of the University of Hawaii, the State Planning Council on Developmental Disabilities, the Autistic Vocational Education Center, the Learning Disability Association of Hawaii, the Autism Society, clinical representation, and other appropriate agencies.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2964, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1170-92 Judiciary on S.B. No. 1528

The purpose of this bill, as received, is to broaden the offense of bail jumping in the first degree to include those persons who fail to appear in court as ordered in connection with an unclassified felony.

Testimony was received from the Prosecuting Attorney for the City and County of Honolulu to amend this bill to permit the introduction at trial in cases under Hawaii Penal Code §§712-1200 and 712-1206 of any statement describing a communication regarding an offer to engage in sex for a fee, whether or not the declarant is available as a witness or not. The Prosecuting Attorney also supported amending this bill to increase the maximum for first and subsequent offenses

from \$500 to \$2,000, and to allow the court to impose community service as part of the sentence for a subsequent conviction.

Your Committee has amended this bill by:

- (1) Deleting all substantive provisions:
- (2) Inserting language amending Hawaii Penal Code §§712-1200 and 712-1206 so as to allow written evidence, signed or otherwise adopted or approved by the declarant, describing or explaining a communication regarding a prostitution offense, made immediately thereafter, to be admissible for the truth of the statement, whether the declarant is available as a witness or not; provided the court determines that:
 - (A) The statement is more probative on the point for which it is offered than any other evidence which the proponent can procure through reasonable efforts; and
 - (B) The general purposes of the rules of evidence and the interests of justice will best be served by admission of the statement into evidence, and provided further the prosecution properly notifies the defendant and the defendant's attorney;
- (3) Increasing the fine for prostitution and loitering from \$500 to \$1,000;
- (4) Authorizing the court to sentence repeat violators of the prostitution law to perform community services; and
- (5) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1528, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1171-92 Judiciary on S.B. No. 806

The purpose of this bill is to clarify when government officials, employees, and public officials are required to comply with provisions of the Lobbyists Law.

Testimony in support of this measure was received from the State Ethics Commission.

In some instances, government officials have hired outside lobbyists to lobby for them. The law at present is not clear as to whether the government official who hires an outside lobbyist should be required to comply with the provisions of the lobbyist law. This bill would require government officials who hire an outside lobbyist to comply with the various provisions of the Lobbyist Law.

A technical, nonsubstantive change has been made for the purpose of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 806, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1172-92 Judiciary on S.B. No. 2892

The purpose of this bill is to facilitate the transfer of non-violent inmates to a work furlough, conditional release, or similar program.

Current law requires notification of county prosecutors and police chiefs of the transfer of any inmate to such programs. This bill provides for such notification only if the transferee was committed for an offense against a person under the penal code, or for a felony.

Testimony in support of this bill was received from the Department of Public Safety and the Office of the Public Defender.

Technical, nonsubstantive changes were made for the purpose of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2892, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2892, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1173-92 Judiciary on S.B. No. 3145

The purpose of this bill is to amend subsection 134-6(a), Hawaii Revised Statutes, regarding the possession or use of a firearm in the commission of a felony, to require that the underlying felony is a separate felony that does not involve possession, use or threatened use of a firearm and does not include terroristic threatening in the first degree. The bill also amends subsection 134-6(a) to make it unlawful to knowingly carry, as opposed to possess, a firearm while in the commission of a felony.

Testimony in support of this measure was received from the Office of the Public Defender. Testimony in support of the intent of this measure was received from the Department of the Attorney General. Testimony in opposition to this measure was received from the Honolulu Department of the Prosecuting Attorney.

The Office of the Public Defender testified that the revisions in this bill would be consistent with the legislative intent to punish those who use firearms in the commission of felonies more severely than those who commit the same felonies without firearms. Concern was expressed by the Department of the Attorney General and the Honolulu Department of the Prosecuting Attorney that this measure was overbroad as it categorically excluded terroristic threatening in the first degree as a predicate felony where it is committed with a "dangerous instrument." "Dangerous instrument" includes not only firearms but any "other weapon, device, instrument, material, or substance, whether animate or inanimate which in the manner it is used or intended to be used is known to be capable of producing death or serious bodily injury."

Your Committee, after examining all related issues, has amended this bill by:

- (1) Adding language making it unlawful to knowingly carry or have within that person's control a firearm while committing a felony;
- (2) Adding language providing that a person shall not be prosecuted under subsection 134-6(a) when the separate felony is a felony offense otherwise defined by this chapter, the felony offense of reckless endangering in the first degree under section 707-713, or the felony offense of terroristic threatening in the first degree under section 707-716; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, style and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3145, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3145, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1174-92 Judiciary on S.B. No. 2963

The purpose of this bill, as received, is to authorize the family court's use of certified copies of school attendance records as prima facie evidence of nonattendance at school or nonreceipt of educational services, and to establish a burden of proof upon the party against whom the presumption of nonattendance or nonreceipt of educational services is directed.

Testimony in support of this measure was received from the State Superintendent of Education.

The State Public Defender testified that the mandatory burden of proof imposed upon the party against whom the presumption is directed exceeds the legitimate use of prima facie evidence.

Your Committee has amended this bill by deleting the provision establishing a burden of proof upon the party against whom the presumption is directed.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2963, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1175-92 Transportation on S.B. No. 3345

The purpose of this bill is to require the Director of Transportation, in regulating tour aircraft operations at State airports, to include verification that the applicant has Federal Aviation Administration (FAA) 121 or 135 certification.

Your Committee finds that certification enhances safety in tour operations through higher aircraft operational and maintenance standards.

Testimony was received from the Department of Transportation and the Hawaii Helicopter Operators Association.

Your Committee has amended this bill by retaining the provision which allows items, in addition to those listed in the statute, to be incorporated in rules adopted by the Director of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3345, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3345, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1176-92 Judiciary on S.B. No. 2735

The purpose of this bill is to eliminate the grandfathering of "nonconforming use" status on conservation lands for future residential and agricultural uses that are not now in actual existence and to clarify statutory language relating to forest and water reserve zones.

Testimony in support of this measure was received from the Department of Land and Natural Resources and the Sierra Club.

The Legislative Auditor's January 1991 report on residential construction in the conservation district recommended that the Department of Land and Natural Resources reexamine nonconforming use status for residential or agricultural uses not already in existence. Construction of new residences should not be a matter of right, but only permitted at the discretion of the Board of Land and Natural Resources. This measure deletes, in section 183-41(b), the second definition of nonconforming use in the forest and water reserve zones.

This bill is amended by making a technical, nonsubstantive change for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2735, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2735, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1177-92 Judiciary on S.B. No. 3157

The purpose of this bill is to establish the admissibility of competent blood alcohol evidence in a prosecution for driving under the influence of intoxicating liquor even where the test is not performed pursuant to the Department of Health's alcohol testing rules or within three hours of arrest.

Testimony in support of this measure was received from the Department of the Attorney General, the Department of Health, and the Honolulu Department of the Prosecuting Attorney. The Office of the Public Defender expressed serious concern with this bill as drafted.

This bill amends subsection 291-5(c), Hawaii Revised Statutes, to allow in drunk driving cases the admission into evidence of a person's blood alcohol content test taken more than three hours after an alleged DUI offense, provided that the test is offered in compliance with the Hawaii Rules of Evidence. The Office of the Public Defender testified that this bill, as written, would allow the introduction of blood alcohol content derived from a test not conducted in compliance with the rules adopted pursuant to section 321-161, Hawaii Revised Statutes.

Your Committee, upon consideration of all relevant issues associated with this bill, has amended this measure by:

- (1) Deleting "any other" from line 6;
- (2) Deleting language from the word "bearing" on line 6, through and including the proposed word "evidence" on line 9; and
- (3) Making a technical, nonsubstantive change for the purpose of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3157, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3157, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1178-92 Judiciary on S.B. No. 576

The purpose of this bill is to consistently define injury categories that occur in traffic accidents with existing definitions for injuries described in the Hawaii Penal Code, and to clearly delineate the various grades of offenses based on the severity of the injury involved.

Presently, only Section 291C-12, Hawaii Revised Statutes, addresses traffic accidents involving any type of injury. The maximum penalty is the equivalent of a class B felony regardless of the degree of injury involved in the accident.

If enacted, this bill would assist in the charging of persons with violations in connection with traffic accidents involving injury by clarifying the degree of injury necessary for application of Section 291C-12, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by 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 has amended Section 1 of this bill by deleting §291C- (c) relating to driver's license revocation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 576, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 576, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1179-92 Judiciary on S.B. No. 771

The purpose of this bill is to establish a minimum fine of \$25 for litter violations and a penalty of four hours of litter pickup work for the first offense and eight hours for any subsequent offense.

Testimony in support of this measure was received from the Department of Health, the Department of Transportation, the Governor's Advisory Committee on Litter Control, and a private citizen. Testimony in support of the intent of this measure was received from the Office of the Public Defender.

Your Committee believes that the passage of this bill will result in penalties which are more consistent with, and higher in amount than under the present statutes, and that the setting of a minimum fine and a minimum litter pickup penalty would be a more effective deterrent than having no minimum fine and penalty.

This bill is amended by allowing the courts the option of assigning a comparable amount of time of community service to be performed by the defendant in lieu of picking up litter, and by making technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 771, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 771, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1180-92 Judiciary on S.B. No. 2231

The purpose of this bill, as received, is to provide for a single victim-counselor privilege, which privilege will shield all confidential communications between a victim of sexual assault, domestic violence, or child abuse or neglect, and the victim's counselor.

Testimony in support of this bill was received from the Judiciary, the Prosecuting Attorney for the City and County of Honolulu, the Sex Abuse Treatment Center, the Domestic Violence Clearinghouse and Legal Hotline, and Sex Abuse Interventions.

The testimony indicated that the nature of the counseling process for victims of domestic violence and sexual assault requires confidentiality, and without confidentiality victims will be unable to obtain effective counseling services.

The testimony of the Judiciary incorporated by reference the Final Report of the Committee on Hawaii Rules of Evidence ("Final Report") prepared for the Hawaii Supreme Court and for the Legislature pursuant to Senate Concurrent Resolution No. 136 and Senate Resolution No. 118, Fifteenth Legislature, 1990. The Final Report found that twenty other states have enacted legislation creating a statutory sexual assault victim-counselor privilege and fifteen states created privileges for both sexual assault counselors and domestic violence counselors.

The Final Report also concluded that recent case law addressing these privileges have found them not in violation of constitutional rights.

Your Committee has examined the laws of states with both sexual assault and domestic violence counselors privileges and finds that creating both privileges would provide greater assistance to the treatment and recovery of victims. Your Committee has examined the laws of Massachusetts and finds that this model is appropriate for Hawaii. Accordingly, this bill has been amended as follows:

- (1) By creating a sexual assault counselor-victim privilege and a domestic violence victims' counselor-victim privilege similar to the Massachusetts model, instead of a single victim-counselor privilege; and
- (2) By making technical, nonsubstantive changes for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2231, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2231, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1181-92 Judiciary on S.B. No. 2654

The purpose of this bill is to expand section 607-25, Hawaii Revised Statutes, to allow civil actions to be initiated against private parties when their development projects are not in substantial compliance with the conditions of their permits or approvals as established by the governmental agencies.

Testimony in support of this measure was received from the Sierra Club, Life of the Land, Maui Tomorrow, and a private citizen.

It is the intent of your Committee that courts should be able to award attorney's fees to successful plaintiffs in citizen suits against private parties, and to assess fines as otherwise provided by law. To refuse the ability of the court to make such awards in such a case would defeat the legislative purpose of encouraging legitimate citizen suits. There can be little doubt that the high cost of litigation impedes the commencement of citizen suits, particularly against defendants with vast resources. Without the probability of a fee award upon the successful completion of the case, many citizens and community organizations cannot find attorneys willing to represent them in lawsuits against illegal private developments.

The primary purpose of granting courts the authority to award attorney's fees and penalties against noncomplying parties is to encourage citizen enforcement of our legislative acts.

Your Committee has amended this measure by:

- (1) Adding language allowing a private party to sue for penalties for past or current violations;
- (2) Adding language allowing the court to assess penalties against the noncomplying party;
- (3) Mandating that any penalties assessed, other than reasonable attorney's fees and costs which may be awarded to the prevailing party, be deposited within the State general fund; and
- (4) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2654, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2654, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bainum.

SCRep. 1182-92 Judiciary on S.B. No. 1440

The purpose of this bill is to narrow the applicability of the constitutional requirement so that only the Governor, Lieutenant Governor, members of the Legislature, members of the Board of Education and appointees subject to Senate confirmation are required to swear (or affirm) that they will support and defend the federal and state constitutions and faithfully discharge their duties to the best of their abilities.

Testimony in support of this measure was received from the University of Hawaii, the ACLU of Hawaii, and two private citizens.

This bill is amended by deleting language requiring specific positions in the judiciary to subscribe to the oath and making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1440, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1440, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1183-92 Judiciary on S.B. No. 2551

The purpose of this bill is to include a definition of "record" within chapter 350, Hawaii Revised Statutes, relating to child abuse.

Testimony in support of this measure was received from the Department of Human Services.

Your Committee agrees that it would be useful to define the term "record" as used within chapter 350, as reference is made to the word throughout the chapter although the term is not defined.

The definition of the word "record" is amended by adding language clarifying that the term includes the initial report and all subsequent information on a child or family gathered by the agency while conducting an investigation, providing treatment, or providing child protective services. A technical, nonsubstantive change was also made for the purpose of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2551, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2551, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 1184-92 Judiciary on S.B. No. 1283

The purpose of this bill is to protect the aquaculture industry by defining theft of any aquaculture product, or part thereof, from premises that are fenced or enclosed in a manner designed to exclude intruders and that have a sign or signs sufficient to give notice to the public.

Testimony in support of this bill was received from the State Department of Land and Natural Resources, the Executive Director of the Natural Energy Laboratory of Hawaii Authority, International Aquafarms, Inc., Molokai Sea Farms, Cyanotech Corporation, the University of Hawaii Aquaculture Coordinator, the Police Department for the County of Hawaii, Amorint Aquafarm, Inc., the Honolulu Police Department, Pacific Sea Farms, Inc., Hawaii Fish Co., and private citizens.

Your Committee finds that Hawaii's aquaculture industry merits the extra protection afforded by this bill. Unlike agriculture crops, aquaculture products are raised under water, so the farmer may not know that theft has occurred until harvest, which could take place more than a year after stocking. Thefts from aquaculture farms can cause devastating losses to research facilities and businesses. This bill will help to deter further pilfering from aquaculture facilities.

This bill has been amended by:

- (1) Clarifying the language in the notice to be placed on the sign or signs on the premises; and
- (2) Making technical, nonsubstantive changes for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1283, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1283, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 1185-92 Judiciary on S.B. No. 2823

The purpose of this bill is to allow the County Directors of Finance to:

- (1) Accept any County Certificate of Title as prima facie evidence of ownership for registration or transfer of a vehicle;
- (2) Contract with a private enterprise for the registration of new vehicles.

Currently, the State of Hawaii is the only state that requires the comparison of the seller's signature(s) on the Certificate of Title before processing a transfer of ownership. Allowing the County Directors of Finance to accept County Certificates of Title as prima facie evidence of ownership will greatly expedite and streamline the vehicle registration process.

Although a relatively new concept, the states of Florida and Virginia have established a successful "Dealer-Government" partnership program which allows a private organization to register and issue license plates for new vehicles. With adequate governmental safeguards and controls, allowing private enterprise to register and issue license plates will also expedite the vehicle registration process.

Testimony in support of this measure was submitted by the Director of Finance of the City and County of Honolulu.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2823, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Arakaki and Peters.

SCRep. 1186-92 Judiciary on S.B. No. 2885

The purpose of this bill is to return to Hawaii Housing Authority (HHA) certain development advantages it held before 1987. It exempts HHA from competitive bidding laws when developing housing. It also makes applicable to HHA development the requirement that projects or petitions be deemed approved by County Councils and the Land Use Commission within 45 days after they are submitted if the Councils and the Land Use Commission do not disapprove them during that period of time.

Testimony in support of this measure was received from the Hawaii Housing Authority and the Land Use Commission.

This bill has been amended by making technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2885, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2885, H.D. 2.

Signed by all members of the Committee except Representative Peters.

SCRep. 1187-92 Judiciary on S.B. No. 3340

The purpose of this bill is to extend the prohibited season for the taking of spiny and slipper lobsters by one month.

This measure is to protect the female spiny and slipper lobsters that carry eggs externally by extending the closed season from May through August.

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 S.B. No. 3340, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1188-92 Judiciary on S.B. No. 2893

The purpose of this bill is to empower the Department of Public Safety to conduct criminal history record checks of employees of the department who possess police powers.

Section 353-2.5, Hawaii Revised Statutes, currently requires criminal history record checks of staff members and prospective staff members who are directly involved with the treatment and care of persons committed to a facility. While this section primarily covers employees in the Division of Corrections, it would also be appropriate to assure the reputable and responsible character of the Division of Law Enforcement employees who possess police powers which include the power of arrest. It is imperative that criminal history record checks be conducted of employees and prospective employees whose assigned duties includes the use of firearms.

Testimony in support of this measure was submitted by the Department of Public Safety and the Department of the Attorney General.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2893, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1189-92 Judiciary on S.B. No. 2805

The purpose of this bill is to clarify procedures with respect to the Dependent Adult Protective Services Law as it pertains to court records, court proceedings, and termination of services.

If enacted, this bill would:

- (1) Permit access to court records by other parties to the action, their attorneys, and guardians ad litem;
- (2) Clarify that a dependent adult who refuses or withdraws consent must first be capable of giving consent;
- (3) Require the Department of Health to also assist those persons who are mentally retarded;
- (4) Provide that it is for the Court and not the parties to determine whether or not a protective services plan and order should be submitted;
- (5) Permit the Court to waive a hearing if the appropriate parties agree to the proposed plan and order; and
- (6) Permit the Court to review the matter without requiring a hearing.

These amendments are for housekeeping purposes and will not adversely affect services for dependent adults in need of protection.

Testimony in support of this measure was submitted by the Judiciary and the Department of Human Services.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2805, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1190-92 Judiciary on S.B. No. 2596

The purpose of this bill is to provide that an employee who prevails in a civil action relating to a noncompetition agreement shall be awarded reasonable attorneys' fees and costs of the suit.

A noncompetition agreement is an agreement prohibiting or limiting competition by an employee or former employee. Examples include agreements that the employee will not:

- (1) Accept concurrent employment or acquire any interest in a competing business during the employment relationship;

- (2) Compete with the employer or work for a competing company for a reasonable period after the employment relationship is terminated; or
- (3) Disclose trade secrets.

While many noncompetition agreements are not detrimental to the broad community interest in a competitive marketplace and are useful or even necessary, there is a risk of employees being abused by unnecessarily onerous and unreasonable use of noncompetition clauses in employment agreements. Employees, often are forced to defend themselves against legal action brought by a former employer to enforce such an agreement. Protection is needed, because of the disparate economic positions of the parties, and the financially devastating burden that can be imposed on employees and their families as a result.

This bill would discourage employers from filing unwarranted suits against present or former employees, encourage competition which is beneficial to consumers, and promote the growth of small businesses.

Testimony in support of this measure was submitted by concerned 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 S.B. No. 2596, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2596, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1191-92 Judiciary on S.B. No. 2749

The purpose of this bill is to expand the pilotage area where a pilot licensed by the State of Hawaii must be on board a vessel anchoring within or leaving the pilotage area.

The increasing ship traffic in the vicinity off Barbers Point has caused the present area of pilotage waters to be inadequate.

If enacted, this bill would provide a suitable area off Barbers Point for anchoring vessels awaiting access to berths at either the offshore mooring or the commercial harbor and require vessels operating in this area to have the services of a pilot licensed by the State of Hawaii, thereby reducing the possibility of a vessel grounding due to a lack of familiarity with the area.

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

Your Committee has made a technical amendment which adds to Section 1 of the bill a finding that the reference to Ahua Point contained in Section 462-17, Hawaii Revised Statutes, should be deleted because Ahua Point no longer exists. This amendment was made for the purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2749, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2749, H.D. 2.

Signed by all members of the Committee except Representative Peters.

SCRep. 1192-92 Judiciary on S.B. No. 276

The purpose of this bill is to protect wildlife while still allowing specified plastic devices to be used to connect consumer goods.

Allowable plastic devices are those which:

- (1) Do not contain an enclosed hole or circle of more than 1-1/4 inch in diameter; or
- (2) Have rings that break at the time the beverage container or other consumer good is removed from the ring.

The bill includes penalties for violation of this measure which are identical to Section 339-7, Hawaii Revised Statutes, relating to beverage containers with detachable pull-tabs.

Testimony in support of this bill was received from the Hawaii State Department of Health, Hawaii Food Industries Association, and the External Affairs Department of Dupont.

The bill was amended by making technical, non-substantive changes for purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 276, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 276, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Peters.

SCRep. 1193-92 Judiciary on S.B. No. 2896

The purpose of this bill is to legalize the urine substance abuse testing of inmates who are under the custody or care of the Department of Public Safety.

Testimony in support of this measure was received from the Department of Public Safety. Testimony in support of parts of this measure was received from the American Civil Liberties Union.

The intent of this bill is to clarify that urinalysis testing of offenders under the jurisdiction of the Department of Public Safety and parolees under the supervision of the Hawaii Paroling Authority are excluded from the requirements of Chapter 329B, Hawaii Revised Statutes. This Chapter is primarily for employment purposes and was not intended to pertain to in-facility testing of inmates for disciplinary purposes.

Your Committee has amended this bill by:

- (1) Adding language requiring that the Department of Public Safety promulgate rules pursuant to Chapter 91, the Administrative Procedures Act, establishing chain-of-custody procedures to ensure proper identification, labeling, and handling of samples to be tested;
- (2) Deleting language stating that this Act shall take effect retroactive to January 1, 1992;
- (3) Adding language stating that this Act is to take effect on its approval; and
- (4) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee emphasizes in this report that the definition of "substance abuse test" is to be used only in relation to Chapter 329B, Substance Abuse Testing; Chapter 286, Highway Safety; and Chapter 291, Traffic Violations.

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

Signed by all members of the Committee.

SCRep. 1194-92 Judiciary on S.B. No. 2873

The purpose of this bill is to prohibit a member of the Board of Directors (Board) of the Hawaii Strategic Development Corporation from participating in any corporation decision dealing with any person with whom or entity in which the Board member has a substantial financial interest, instead of prohibiting the corporation itself.

The Board is comprised of senior executives with years of experience and residency in Hawaii. The likelihood of any board member having any financial interest in an organization under consideration is very probable. A situation could very easily develop that would make an investment in a bank's Small Business Investment Corporation or a development fund created by financial institutions impossible because a majority or all the members of the Board owned as little as one share of stock in one or more of the participating institutions.

If enacted, this bill would provide the flexibility for the Board to accomplish its intended purpose while providing for the exclusion from the investment decision of a Board member with a substantial financial interest in the organization under consideration.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2873, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2873, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1195-92 Judiciary on S.B. No. 3179

The purpose of this bill is to make it a misdemeanor for the owner of any animal, or any person with knowledge that an animal belongs to another person, to abandon the animal.

Testimony in support of this bill was received from the Board of Agriculture, Hawaiian Humane Society, West Hawaii Humane Society, Maui Humane Society, Animal Rights Hawaii, Veterinary Consultation Services, the National Audubon Society, the Department of Parks and Recreation, and four private citizens. The testimony strongly supported the bill due to both the suffering inflicted upon the abandoned animals and the threat of such animals to society.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3179, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3179, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Peters.

SCRep. 1196-92 Judiciary on S.B. No. 2259

The purpose of this bill is to require officers and crew to report sightings of plants and animals on aircrafts or vessels, increase the penalty for general offenses to a misdemeanor, increase the penalty for the importation of prohibited and restricted plants and animals to a misdemeanor, provide minimum fines for first and subsequent offenses, and increase the maximum fine for a second offense involving prohibited and restricted materials to \$20,000. This bill also deletes references to "lists" to clarify that prohibited organisms also include those who are not on any list.

Testimony in support of this measure was received from the Board of Agriculture and the National Audubon Society. Testimony in support of the intent of this measure was received from Petland.

The introduction of new pests impacts the State's economy, environment, and the health and welfare of our community. Some plants and animals are prohibited while others are restricted and can enter the State only by permit. If escaped or released, these pests could easily become established because of the lack of the pests' natural predators, Hawaii's mild climate, and the abundance of food.

Your Committee has amended this bill by:

- (1) Deleting the substantive contents of this bill; and
- (2) Deleting the words "guilty of a violation and" from subsection 150A-14, Hawaii Revised Statutes; and
- (2) Adding language to subsection 150A-14(c), Hawaii Revised Statutes, specifying that any person or organization that violates sections 150A-6(a)(3) or 150A-6(a)(4), or who owns or intentionally transports, possesses, harbors, propagates, sells, transfers, or causes the importation of any snake or other prohibited animal seized under section 150A-7(b), or any person or importer who violates this chapter more than once or whose violation involves a plant, animal, or microorganism on the prohibited list or the restricted list without a permit shall be fined not less than \$1,000 nor more than \$10,000 or guilty of a petty misdemeanor or both.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2259, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2259, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Peters.

SCRep. 1197-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 3438

The purpose of this bill is to allow the Board of Land and Natural Resources (BLNR) to modify restrictions on any lease or extend the term of any lease for an aggregate term of fifty-five years, in order to qualify the lease for mortgage lending or guaranty purposes. Such provisions are currently made only for intensive agricultural, aquacultural, mariculture, and special livestock leases.

The Department of Hawaiian Home Lands (DHHL) testified in support of this measure, arguing that the lack of this leasing flexibility limits the competitiveness of, and the returns from, its leasing of land. Favorable testimony was also submitted by the Olomana Golf Course and several other commercial lessees, one of which requested that the bill be amended to accommodate additional leasing needs of aquacultural operations.

The Department of Land and Natural Resources (DLNR) expressed its reservation that enactment of this measure would erode the requirement of public auction for state leases, while the Native Hawaiian Legal Corporation argued that the bill would delay equitable pricing of leases and regulation of land uses.

Upon further consideration your Committee has amended this bill by:

- (1) Adding a new section to include aquaculture operations among the operations for which disposition of public lands may be negotiated with greater flexibility by the BLNR;
- (2) Adding a new section which would provide for exclusive use of the public lands at the temporary Kapiolani Community College Pensacola Street Campus in Honolulu by the Department of Education for educational purposes and facilities;
- (3) Adding a new section to extend the boundaries of the Hawaii Community Development Authority (HCDA) as necessary to encompass the public lands on which are currently located the parking lot and Department of Education premises at the former Linekona School; and
- (4) Changing the bill's effective date from July 1, 1994 to July 1, 1992.

As amended, the bill addresses the controversy over the use of public lands at McKinley High School for the construction of two high rise apartment buildings by the HCDA. The bill would have the effect of securing the public lands in question for vital and growing educational needs, thereby avoiding the difficulties which inevitably arise from the close proximity of residences to the activities at public lands and facilities such as McKinley's. The bill would also provide for an alternative parcel of public land to be contained within HCDA's boundaries.

In testimony before your Committee on four resolutions relating to this controversy, the HCDA indicated that only \$800,000 of the \$3.5 million appropriated for the planning and design of the project has been expended. It is the hope of your Committee that the remaining funds can be used to plan urgently needed affordable and University of Hawaii faculty housing at more appropriate sites.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 3438, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3438, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bunda.

SCRep. 1198-92 Judiciary on S.B. No. 2670

The purpose of this bill is to essentially:

- (1) Clarify that gambling activities which are conducted during travel to and from foreign nations and Hawaii are exempt to the same extent as gambling activities which are conducted during travel to and from other states and territories of the United States and Hawaii;
- (2) Clarify that forfeitures of property used in illegal gambling are subject to the requirements of Chapter 712A, Hawaii Revised Statutes (HRS); and
- (3) Conform subsection and paragraph designations in sections 706-660.1 and 712-1222.5, HRS, to the style used elsewhere in the Penal Code.

Testimony in support of this measure was submitted by the Department of the Attorney General.

A technical, non-substantive change was made for the purpose of clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2670, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1199-92 Consumer Protection and Commerce and Judiciary on S.B. No. 2454

The purpose of this bill is:

- (1) To allow physicians to handwrite either "do not substitute" or "brand medically necessary" on prescription forms in order to prohibit substitution of equivalent drug products;
- (2) To prohibit pharmacists from substituting an equivalent drug for an anti-epileptic drug without the permission of the prescriber and the patient or the latter's parent or guardian; and
- (3) To substitute the term "pharmacist" for the term "dispenser" in Sections 328-92 and 328-100, Hawaii Revised Statutes.

Your Committees received testimony in support of the bill from the Department of Health, Hawaii Medical Service Association, Epilepsy Foundation of Hawaii, Hawaii Medical Association, and Hawaii Pharmaceutical Association.

Your Committees heard the concerns of the Epilepsy Foundation that substitution of anti-epileptic drugs puts epileptics at risk by possibly placing the patient in drug toxicity or causing breakthrough seizures. They pointed to five cases of such side effects due to drug substitution in the last eighteen months. However, in each of those instances the prescribing physician had written "do not substitute", and the dispenser, contrary to laws, substituted medication. The current law covers such a situation by providing for penalties, and this bill would not have helped those five individuals.

Your Committees are concerned with the exception in this bill for a particular medical class--persons with epilepsy. It is agreed that changes in medication may be dangerous for epileptics, but the same cautions apply to many other medications.

Your Committees stress the importance of education of pharmacists, rather than legislation, to meet these concerns. Your Committees find that the law which allows physicians to prohibit substitution of equivalent drug products can avoid harm to patients, as will the amendment which allows them to write "brand medically necessary". These safeguards, in conjunction with heightened awareness of pharmacists as to the dangers of substitution for persons with epilepsy, as well as other diseases, will aid consumers and avoid the problems voiced by the Epilepsy Foundation of Hawaii.

Accordingly, your Committees deleted the section of the bill which refers specifically to epileptics.

Also, your Committees deleted the term "pharmacist" and returned to the use of the term "dispenser," noting that there are dispensers other than pharmacists, including physicians.

Your Committee on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 2454, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 2.

Signed by all members of the Committees.

SCRep. 1200-92 Consumer Protection and Commerce and Judiciary on S.B. No. 2432

The purpose of this bill is to completely overhaul laws relating to pawnbrokers.

Your Committees received testimony in support of the bill from the Department of Commerce and Consumer Affairs and the Hawaii Pawnbrokers and Second Hand Dealers, and from the Legal Aid Society.

Chapter 445, Part V, which governs pawnbrokers, has not been amended since 1955, and is out of date. As a result, pawnbrokers are not able to comply with regulation and be successful in the pawnbroker business.

Problems with the existing law became more acute with the Burnett vs. Ala Moana Pawnshop decision by the U. S. District Court of Hawaii. In Burnett, Judge Alan Kay found that while the form of the transaction was a sale/buyback transaction, the substance of the transaction was a loan. Accordingly, all Truth-in-Lending Act (TILA) disclosure requirements applied.

Pawnbrokers who were unwilling to comply with the various TILA requirements for the relatively small amounts involved had to cease to engage in sale/buyback transactions. The only alternative was a straight purchase of goods, with no guarantee that the seller would be able to repurchase the goods.

This bill remedies this situation by allowing sale/buyback transactions, requiring finance charge disclosures, shortening the holding period for goods, and removing the publication requirement.

Your Committees also received testimony stating that the 20 percent per month maximum interest charge allowed under the bill was objectionable, especially when compared with the maximum interest rates chargeable by other financial institutions. Your Committees agree, and have, therefore, amended the bill to change the maximum interest charge to 3 percent per month for amounts under \$100, and 1.5 percent per month for amounts of \$100 and above.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 2432, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2432, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1201-92 Consumer Protection and Commerce on S.B. No. 2780

The purposes of this bill are to:

- (1) Require travel agencies to file a notarized statement in lieu of a special report prepared by a public accountant;
- (2) Stipulate that travel agencies must submit the name of a trust account in place of the actual number of the account; and
- (3) Specify that all moneys received from clients be deposited in a trust account, whether or not tickets have been issued.

Your Committee received testimony supporting Section 1 of the bill (requiring a notarized statement in lieu of a public accountant's report) from the Department of Commerce and Consumer Affairs, American Express Travel Related Services Company, Inc., Air Fare Bargains, and the Hawaii Business League. However, reservations were expressed regarding the trust account requirements, citing the lack of clarity and the absence of provisions regarding credit card transactions.

Your Committee notes that this bill is similar in its intent to H.B. No. 3722, H.D. 1, which included provisions regarding credit card transactions. Your Committee supports the intent to protect the rights of consumers, but feels that the provisions in this bill do not provide enough clarity. Therefore, your Committee has retained Section 1 of S.B. No. 2780, S.D. 1, and substituted all other portions of H.B. No. 3722, H.D. 1, for the remainder of the bill.

Some of the highlights of the bill are that a travel agency must provide the name of their trust account, but not the number of the account, to the consumer.

Your Committee also amended the language of Section 3 to clarify that travel agencies must subject charge data to the card issuing company or payment processing company within five days.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2780, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2780, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1202-92 Consumer Protection and Commerce on S.B. No. 2296

The purpose of this bill is to establish greater accuracy in motor vehicle advertising by limiting the types of representations which can legally be made.

Your Committee received testimony in support of the measure from the Hawaii Automobile Dealers Association and the Department of Commerce and Consumer Affairs (DCCA).

Your Committee finds that advertisements for new motor vehicle sales often contain statements and terms which cannot readily be understood by consumers. These statements and terms may give the consumer the impression of understanding when in fact only those with inside knowledge of the auto industry know what is actually being said.

However, your Committee finds that false advertising in general is already regulated under the Motor Vehicle Industry Licensing Act and that DCCA can charge penalties when appropriate. Your Committee finds that the sort of specific prohibitions of this bill should more appropriately be handled through rule making. Accordingly, your Committee deleted references to specific prohibitions and amended the bill to authorize the board to promulgate rules which particularize prohibited types of advertising in this industry. This power gives the board flexibility to deal with changing trends in advertising.

In particular, the board may consider guidelines set forth by Missouri and North Carolina automobile dealers' industry which are intended to protect consumers from unfair and deceptive advertising practices.

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

Signed by all members of the Committee.

SCRep. 1203-92 Consumer Protection and Commerce on S.B. No. 2438

The purpose of this bill is to delete the bond requirements for new and used vehicle dealers.

The Motor Vehicle Industry Licensing Board (Board) and the Hawaii Automobile Dealers' Association testified in support of the bill. Mark Glen Auctions testified in opposition to the financial requirements for auctioneers.

This bill refers to the sale of motor vehicles. Your Committee finds that the intent of the section of the bill referring to auctioneers is aimed at companies which are exclusively motor vehicle auctioneers, who sell only motor vehicles from a fixed location. However, other auctioneers often sell vehicles incidental to their primary business of selling business assets or an estate. Unfortunately, the financial requirements of this bill would prohibit general auctioneers from providing a comprehensive auction service. Accordingly, your Committee has amended the bill to amend the definition of "auctioneer" and "auction" to specify that the chapter's requirements only apply to auctions and auctioneers who sell only motor vehicles. Other auctioneers do not need to meet the requirements of this chapter.

Your Committee finds that the elimination of the bond requirements for new and used car dealers, motorcycle and motor scooter dealers, and motor vehicle auctions is appropriate in light of the 1988 study prepared by the Board.

Your Committee also made technical, nonsubstantive amendments to the bill to conform with the Ramseyer requirements.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2438, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2438, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1204-92 Finance on S.B. No. 2922

The purpose of this bill is to amend and repeal various professional and vocational licensing provisions of the Hawaii Revised Statutes for purposes of clarity and uniformity.

In 1991, the Legislature passed the Uniform Professional and Vocational Licensing Act (Act 111, Session Laws of Hawaii 1991, or Act 111), which was the first phase of the efforts of the Department of Commerce and Consumer Affairs and the Department of the Attorney General to implement a uniform licensing law. Subsequently, Act 111 was codified as Chapter 436B, Hawaii Revised Statutes (Chapter 436B).

By amending Chapter 436B and conforming various licensing statutes to the provisions of Chapter 436B, this measure would complete the second phase to implement a uniform licensing law. Your Committee finds that most of the amendments made by this measure would eliminate duplicative administrative provisions from the various licensing chapters.

The Department of Commerce and Consumer Affairs submitted testimony in support of this measure.

Upon further consideration, your Committee has amended this measure by correcting numerous typographic, technical, stylistic and drafting errors; no substantive amendments were made.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2922, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2922, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1205-92 Finance on S.B. No. 2660

The purpose of this bill is to:

- (1) Require the advertisement for sealed bids for public contracts of expenditures of \$35,000 or more, with exceptions;
- (2) Require the advertisement for informal bids for public contracts of expenditures in excess of \$15,000 but less than \$35,000, with exceptions;
- (3) Specify that the Department of Health (DOH) need not adjust specifications to qualify more than one vendor and not be bound to accept a low bid that is inconsistent with the needs of the Division of Community Hospitals when making expenditures for medical diagnostic or therapeutic equipment for that division. This provision would be repealed on June 13, 1993;
- (4) Prohibit the intentional dividing or parcelling of any expenditures to defeat or evade the above requirements; and
- (5) Require the Department of Accounting and General Services and the DOH to report to the Legislature on how the Division of Community Hospitals saved time by avoiding the bidding process and the effect of nonbid acquisitions.

Testimony in support of the intent of the bill was submitted by the Department of Accounting and General Services, the DOH, the Chamber of Commerce of Hawaii, and an interested individual.

The Department of Accounting and General Services expressed concern that the language providing a bid exception for expenditures of \$35,000 or more for maintaining satisfactory quality and fair cost services to ensure continuous emergency medical services was vague. Accordingly, your Committee has amended this measure to clarify that there would be a bid exception for essential emergency ambulance services.

Other 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. 2660, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2660, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1206-92 Finance on S.B. No. 2423

The purpose of this bill is to require that seven and one-half percent of the transient accommodations tax (TAT) revenues allocated to each county shall be earmarked for visitor promotion in that county.

Under this bill, the counties would be required to administer these moneys in consultation with the local chapters of the Hawaii Visitors Bureau and the Hawaii Hotel Association.

The Maui Hotel Association and Foley, Maehara, Judge, Nip, and Chang, on behalf of the Maui and Hawaii Hotel Associations, supported this measure, maintaining that a minimum amount of TAT revenues received by each county should be reinvested in the industry from which the funds are derived.

The Department of Business, Economic Development, and Tourism, the Offices of the Mayor of the counties of Hawaii and Kauai, the City and County of Honolulu's Department of the Budget, the Chamber of Commerce of Hawaii, and a member of the Honolulu City Council opposed this measure. The Tax Foundation of Hawaii also submitted comments.

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

- (1) Changing the effective date of this measure from July 1, 1993, to July 1, 1992; and
- (2) Making technical, nonsubstantive revisions for purposes of style, consistency, and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2423, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2423, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1207-92 Finance on S.B. No. 3116

The purpose of this bill is to:

- (1) Commission the Office of the Legislative Auditor to provide information and recommendations to enable the Legislative Reference Bureau to draft proposed legislation to enact a comprehensive procurement policy for the State;
- (2) Amend certain provisions of the State's public bidding, public contracts, and public concession laws for use during the interim while the new code is being developed; and
- (3) Appropriate \$75,000 for the Office of the Legislative Auditor to conduct its study.

The Department of Accounting and General Services supported this bill and recommended that the Legislative Reference Bureau conduct the study and develop proposed legislation. Accordingly, your Committee has amended this bill by:

- (1) Providing that the Legislative Reference Bureau conduct the study;
- (2) Deleting the section appropriating money for the study; and
- (3) Correcting certain typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3116, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3116, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1208-92 Finance on S.B. No. 2752

The purpose of this bill is to:

- (1) Remove the ten percent ceiling restriction placed on the expenditure of moneys in the University of Hawaii Student Activities Revolving Fund (Fund); and
- (2) Give flexibility to the Board of Regents to set policies to monitor Fund expenditures.

Testimony in support of this measure was submitted by the Chancellor for Community Colleges.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2752, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1209-92 Finance on S.B. No. 2732

The purpose of this bill is to increase the percentage for calculating temporary disability insurance weekly benefit payments from fifty-five to fifty-eight percent of the claimant's average weekly wage, if the claimant's average weekly wage is \$26 or greater.

This measure would apply to disabilities occurring after June 30, 1992, to ensure the proper administration of this increase.

Testimony in support of the measure was submitted by the Department of Labor and Industrial Relations and the International Longshoremen's and Warehousemen's Union Local 142. The Chamber of Commerce of Hawaii testified in opposition to the bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2732, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1210-92 Finance on S.B. No. 2725

The purpose of this bill is to authorize the Director of Health to develop a pilot project for the autonomous operation of Hawaii State Hospital and to formulate policies for the operation of that hospital until June 30, 1995.

This measure also:

- (1) Allows Hawaii State Hospital to utilize its fiscal and human resources in a flexible manner until June 30, 1995;
- (2) Allows any State agency, except the State Health Planning and Development Agency, to waive policies, rules, or procedures upon certification of the Director of Health that such waiver is necessary for timely compliance

with the Settlement Agreement with the United States Department of Justice pertaining to Hawaii State Hospital;

- (3) Provides that nothing in the bill shall supersede collective bargaining agreements, civil service rules, or adversely affect any employees of Hawaii State Hospital; and
- (4) Requires the Department of Health (DOH), in conjunction with the State Advisory Council on Mental Health and Substance Abuse and the Mental Health Association, to submit a final project completion report to the Legislature regarding the success of the pilot project before the convening of the Regular Session of 1995.

Testimony in support of this bill was received from the DOH, the State Advisory Council on Mental Health and Substance Abuse, the Hawaii Government Employees Association, and the Mental Health Association in Hawaii.

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. 2725, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2725, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1211-92 Finance on S.B. No. 732

The purpose of this bill, as received by your Committee, is to:

- (1) Allow each county, except the county of Kalawao, to establish a county general excise and use tax surcharge of not more than one percent; and
- (2) Repeal the transfer of the Transient Accommodations Tax (TAT) to the counties by June 30, 1993.

Your Committee has amended the bill by deleting the substance thereof and adding provisions to extend Section 1034 of the Internal Revenue Code (Section 1034) to employees of federal law enforcement agencies in Hawaii who are subject to transfer at the direction of the United States government.

Section 1034 provides that if property used as a taxpayer's principal residence is sold, and within a specified period, new property is purchased and used by the taxpayer as the taxpayer's principal residence, any gain from the sale is recognized only to the extent that the taxpayer's adjusted sales price of the old residence exceeds the taxpayer's cost of purchasing the new residence. The taxpayer will be able to defer payment of taxes on capital gains realized as a result of selling the taxpayer's principal residence when proceeds from the sale are rolled over into the purchase of a replacement residence that is of equal or greater value. Your Committee recognizes that this would provide significant tax relief to members of federal law enforcement agencies.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 732, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 732, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1212-92 Finance on S.B. No. 2867

The purpose of this bill is to establish the Infrastructure and Equity Gap Development Fund (Fund) to be used by the Housing Finance and Development Corporation (HFDC) to provide developers with grants for the development of necessary infrastructure and the provision of equity gap financing related to the construction of affordable rental developments for low, very low, moderate, and gap group income families.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors. HFDC did not support this measure.

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

- (1) Provided that the Fund may be supported, inter alia, through the proceeds of revenue bonds rather than general obligation bonds;
- (2) Provided that expenditures from the proceeds of revenue bonds, rather than general obligation bonds, may be expended with HFDC Board approval and approval from the Director of Finance and the Governor;
- (3) Authorized the transfer of \$20,000,000 rather than \$50,000,000 from the Rental Assistance Revolving Fund to the Fund; and
- (4) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2867, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2867, H.D. 2.

Signed by all members of the Committee.

SCRep. 1213-92 Finance on S.B. No. 2855

The purpose of this bill is to appropriate funds and provide additional means for compensating the Department of Hawaiian Home Lands for the State's past wrongful, improper, or unauthorized withdrawals, transfers, takings, or uses of Hawaiian home lands which occurred from August 21, 1959, to the present, and to pursue claims against the federal government.

The following presented testimony in support of this measure: the Hawaiian Homes Commission, the Office of Hawaiian Affairs, the Office of State Planning, the State Council of Hawaiian Homestead Associations, and concerned individuals.

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

- (1) Reducing the amount of compensation for the State's uncompensated use of Hawaiian home lands since August 21, 1959, including the wrongful use thereof under Governors' executive orders and proclamations, to \$12,000,000;
- (2) Deleting all other appropriations and land-related provisions; 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 S.B. No. 2855, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2855, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1214-92 Finance on S.B. No. 2758

The purpose of this bill is to appropriate \$200,000 to the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Department) for the payment of consultant fees in the various utility and transportation cases pending, or to be filed, with the Public Utilities Commission and other state and federal agencies.

The Department supported the intent of this measure; however, the Department expressed concerns because of budgetary constraints.

Upon further consideration, your Committee has amended this bill by reducing the appropriation amount to \$1 for purposes of continued discussion.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2758, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2758, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1215-92 Finance on S.B. No. 2888 (Majority)

The purpose of this bill is to provide the Department of Human Services (DHS) with the authority to establish an imprest fund to assist Job Opportunities and Basic Skills (JOBS) participants, who are enrolled in employment training programs, with extraordinary expenses they may incur for education, training, and employment activities, or with emergency cash assistance during family crises.

The DHS submitted testimony in support of this measure which indicated that imprest authority provides the JOBS program with critical flexibility required for successful program participation and implementation.

Additionally, the DHS, in light of the economic downturn occurring in the State, proposed that the bill be amended to freeze the standard of need for public assistance at the 1991 federal poverty level.

Your Committee has amended the bill by:

- (1) Freezing the standard of need for public assistance at the 1991 federal poverty level;
- (2) Requiring the freeze to sunset on June 30, 1994; and
- (3) In accordance with the foregoing sunset, directing that on June 30, 1994, subsections (a) and (b) of Section 346-53, Hawaii Revised Statutes, be reenacted in the form in which they read on the day before the approval of the Act.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2888, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2888, S.D. 1, H.D. 1.

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

SCRep. 1216-92 Finance on S.B. No. 3305

The purpose of this bill, as received by your Committee, is to establish higher expenditure thresholds for the Certificate of Need Program.

More specifically, this bill amends the definition of "expenditure minimum" by increasing the expenditure minimum for:

- (1) Capital expenditures from \$4,000,000 to \$5,000,000;
- (2) New or replacement medical equipment from \$1,000,000 to \$2,000,000; and
- (3) Used medical equipment from \$400,000 to \$750,000.

Your Committee has amended this bill by deleting the substance and inserting new material, the purpose of which is to clarify the responsibility of the State Health Planning and Development Agency (SHPDA) under Chapter 323D, Hawaii Revised Statutes. As amended, this bill proposes to:

- (1) Establish a definition of "consumer";
- (2) Revise the definition of "state health services and facilities plan" to mean a plan developed and prepared by SHPDA;
- (3) Clarify that SHPDA prepare, revise, and implement the State Health Services and Facilities Plan;
- (4) Clarify that the Statewide Health Coordinating Council revise and adopt the State Health Services and Facilities Plan as necessary;
- (5) Specify that certificates of need, with or without conditions, be consistent with the State Health Services and Facilities Plan;
- (6) Specify that the administrator of SHPDA and persons on the Statewide Council, the Review Panel, and the Subarea Council are covered by the ex parte contact provisions of the law;
- (7) Designate that the chairperson of the Statewide Council as the chairperson of the Reconsideration Committee;
- (8) Designate that the chairperson of the Review Panel as the vice-chairperson of the Reconsideration Committee;
- (9) Provide for the appointment of replacement members for Reconsideration Committee members in the event members are unable to attend a committee meeting; and
- (10) Repeal disqualification provisions stipulating that chairpersons of the Statewide Council, the Subarea Councils, and the Review Panel shall not be employed by or married to health care providers.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3305, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3305, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1217-92 Finance on S.B. No. 2890

The purpose of this bill is to:

- (1) Repeal the authority of the Hawaii Housing Authority (HHA) to:
 - (A) Enter into agreements or authorize housing owners to enter into agreements with public or private agencies for services required in the selection of qualified tenants for rent supplements; and
 - (B) Delegate to any public or private agency its authority to issue State rent supplement certificates or to contract for the administration of Part VI, Chapter 359, Hawaii Revised Statutes, relating to State rent supplements; and
- (2) Repeal provisions allowing State rent supplement payments to be added to rent supplement payments under Public Law 89-117 where the need for additional State supplement is urgent.

Testimony in support of this bill was submitted by the HHA.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2890, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1218-92 Finance on S.B. No. 3371

The purpose of this bill is to:

- (1) Establish the Sex Offender Treatment Program, under the leadership of the Department of Public Safety, to coordinate the efforts of various State agencies with sex offender oversight responsibilities in developing and carrying out a master plan for the treatment of sex offenders; and
- (2) Appropriate \$65,964 to be expended by the Department of Public Safety for personnel and other expenses related to the treatment of sex offenders.

Testimony in support of this measure was submitted by the Department of Public Safety, the Department of Health, the Hawaii Paroling Authority, and the Judiciary.

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

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3371, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3371, H.D. 2.

Signed by all members of the Committee.

SCRep. 1219-92 Finance on S.B. No. 3398

The purpose of this bill is to appropriate an unspecified amount to increase the transfer of international technologies and businesses to the State, which includes the planning and establishment of a Pacific Data Commodities Information Center.

Testimony supporting the intent of the bill was submitted by the Department of Business, Economic Development, and Tourism. The Pacific Data Center of World Trade Center Hawaii also submitted comments.

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

- (1) Appropriating \$1 for purposes of further discussion; and
- (2) Correcting technical drafting errors.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3398, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3398, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1220-92 Finance on S.B. No. 2626

The purpose of this bill is to authorize the issuance of general obligation bonds to finance capital improvement projects for fiscal year 1992-1993.

The Senate inserted the nominal amount of \$1 in each of the project category sections.

The appropriations specified in this measure will be expended for the acquisition and improvement of land, the development of designs, the preparation of plans, the purchase of equipment, and the construction of capital improvement projects across the State.

The measure has been amended by inserting the nominal amount of \$2 in each of the project category sections for purposes of continued discussion during the remainder of this legislative session.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2626, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2626, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1221-92 Finance on S.B. No. 3308

The purpose of this bill is to appropriate \$1,256,407 for the development of a comprehensive statewide automated system for Hawaii's child support enforcement program.

According to testimony received by your Committee, it is estimated that approximately 80,000 children in Hawaii rely on the support services of the Child Support Enforcement Agency. The automated system proposed in this measure would:

- (1) Assist in the timely receipt of support payments by the custodial parent; and
- (2) Reduce the percentage of non-paying cases through a more effective and efficient tracking system.

The total cost of the automated system project is estimated to be \$17,764,807. However, if State automation plans are approved by the Federal Office of Child Support Enforcement, Hawaii will be eligible for federal funds of up to ninety percent of the total estimated cost of the project. The \$1,256,407 appropriation included in this measure would be added to federal funds to cover the total amount of phase one of the project which is estimated to be \$5,748,894. It is estimated that the second implementation phase will total \$12,015,913 with the State's share currently estimated at \$1,201,591.

The State Attorney General submitted testimony in support of the bill provided that it does not supplant funds contained in the Executive Budget request. The Parent's Child Support Network and a concerned parent submitted testimony in strong support of this measure.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3308, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1222-92 Finance on S.B. No. 2288

The purpose of this bill is to appropriate \$160,000 to the Department of the Attorney General to purchase supplies to conduct blood and saliva testing of criminals and create a data bank for its recordation.

Act 231, Session Laws of Hawaii 1991, mandated that selected criminals will be required to provide blood and saliva samples. However, because the laboratory that will perform these tests will not be operational until this summer, funding to acquire the necessary supplies to conduct the tests was not provided in 1991.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Honolulu Police Department's Criminal Laboratory Division.

This bill has been amended by inserting a new section that declares that the appropriation contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1992-1993 to be exceeded by an undetermined amount and percent, and that the expenditure is necessary to serve the public interest.

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

Signed by all members of the Committee.

SCRep. 1223-92 Finance on S.B. No. 1293

The purpose of this bill is to:

- (1) Clarify that funds received from the proceeds and wages of inmates participating in the Correctional Industries Program shall be deposited into the Criminal Injuries Compensation Fund (Fund);
- (2) Provide that earnings of Correctional Industries Program participant-inmates:
 - (A) Shall be paid on a quarterly basis to the Fund in amounts representing not more than forty percent of the inmate's earnings; and
 - (B) Shall be mandatory and shall not relate to any criminal injuries claim; and
- (3) Require the Director of Corrections to submit timely annual reports to the Legislature and the Criminal Injuries Compensation Commission on the amounts paid into the Fund.

Testimony in support of the bill was submitted by the Department of Public Safety.

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 S.B. No. 1293, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1293, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1224-92 Finance on S.B. No. 2851

The purpose of this bill is to:

- (1) Provide specific statutory authority for the establishment of a protection and advocacy system for developmentally disabled and mentally ill persons in the State; and
- (2) Specify that the designated advocacy agency has access to the records of its clients to the extent required by federal law.

In testimony submitted in strong support of this measure, the Office of the Governor indicated that the Governor has, pursuant to federal mandate, designated the Protection and Advocacy Agency of Hawaii as the State's protection and advocacy agency. The Office of the Governor administers the contract with this agency.

The Department of Health, the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, and the Protection and Advocacy Agency of Hawaii submitted supportive comments in favor of this measure.

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 S.B. No. 2851, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2851, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1225-92 Finance on S.B. No. 2826

The purpose of this bill is to require the Housing Finance and Development Corporation (HFDC) to exempt projects owned by a County from the shared appreciation requirement, if the following conditions are met:

- (1) The funds derived by the County as a result of appreciation in value of the units are used for housing projects in which:
 - (a) At least sixty percent of the project is affordable to families earning one hundred percent or below of the applicable area median income; and
 - (b) At least half of the foregoing sixty percent is affordable to families earning eighty percent or below of the applicable area median income; and
- (2) The project from which the appreciation in value is derived remains as affordable as it was prior to the refinancing or prepayment of the eligible project loan.

Your Committee requests that a reevaluation of the conditions for exemptions be undertaken in ten years to ensure that the counties have the resources to develop affordable housing units in the future.

Testimony in support of this bill was received from the HFDC, the Department of Housing and Community Development of the City and County of Honolulu, and the Office of Housing and Community Development of the County of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2826, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1226-92 Finance on S.B. No. 3486

The purpose of this bill is to:

- (1) Describe the illegal overthrow of the Hawaiian monarchy and annexation of the Hawaiian islands by the United States, as well as the consequences of these events for Hawaii's indigenous people;
- (2) Provide that the citizens of the State of Hawaii recognize the inherent right of the indigenous Hawaiian people to sovereignty and self-determination and to support the efforts of the indigenous Hawaiian people to establish a sovereign Hawaiian government with such powers, duties, and resources as decided by the indigenous Hawaiian people; and
- (3) Provide that the citizens of the State of Hawaii call upon the President and Congress of the United States to recognize and assist in the reestablishment of a sovereign indigenous Hawaiian government.

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs, Ka Pakaukau, and concerned citizens.

Upon further consideration, your Committee amended this bill by making technical, nonsubstantive revisions for the purposes of style, consistency, and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3486, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3486, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1227-92 Finance on S.B. No. 2909

The purpose of this bill is to accelerate the payment and collection of withholding income taxes, public service company taxes, and bank and other financial corporation taxes for certain taxpayers.

More specifically, this bill would require taxpayers with tax liabilities over \$100,000, to pay their taxes by the tenth day instead of the fifteenth day following the calendar month the taxes were withheld. Public service companies and financial institutions with tax liabilities over \$100,000, would pay their taxes on a monthly basis.

Under current law, payment of:

- (1) Withholding taxes are due by the fifteenth day following the month the taxes were withheld; and
- (2) Public service company taxes and bank and other financial corporation taxes are due on the twentieth day of the fourth month following the close of the taxable year with the option of paying on a quarterly basis.

Your Committee received testimony in support of this bill from the Department of Taxation (DoTax). DoTax testified that accelerating the payment and collection of these three taxes for certain taxpayers will maximize the State's interest revenues on the taxes collected. Testimony was also submitted by the Tax Foundation of Hawaii, GTE Hawaiian Tel, and Hawaiian Electric Industries, Inc.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2909 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1228-92 Finance on S.B. No. 2894

The purpose of this bill is to:

- (1) Allow Department of Public Safety employees who are promoted to departmental managerial positions to retain their higher retirement allowance; and
- (2) Allow judges who retired "on paper" when they reached the maximum benefit of 75 percent, but continued to serve in their office, to recompute their average final compensation and claim a higher retirement benefit.

While supporting the intent of the bill, the Department of Public Safety testified that its internal affairs investigators conduct both criminal and administrative investigations under difficult and hazardous conditions similar to those conducted by investigators in the Department of the Attorney General and County Prosecuting Attorneys Offices. However, these public safety internal affairs investigators do not enjoy the same retirement benefits that their counterparts do. Accordingly, the Department of Public Safety urged that its internal affairs investigators be included as contributory members of the Employees' Retirement System and that their retirement allowance be increased to two and one-half percent of their respective average final compensation.

Your Committee has amended this bill by including public safety internal affairs investigators as contributory members and increasing their retirement allowance to two and one-half per cent. The bill was further amended to correct certain typographic, technical, drafting, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2894, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2894, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1229-92 Finance on S.B. No. 2730

The purpose of this bill is to clarify and update the role of the Department of Land and Natural Resources (DLNR) in administering and enforcing the prevention, control, and extinguishment of fires on State lands.

Among other things, this measure would:

- (1) Clarify the DLNR's responsibility for preventing, controlling, and extinguishing fires in specified areas;
- (2) Replace "State Forester" position with "Administrator" position and replace "Fire Warden" positions with "Branch Manager" positions;
- (3) Delineate the powers and duties of the Administrator and Branch Managers;
- (4) Provide that federal and county agencies summoned by the Administrator to help extinguish fires not be reimbursed for their assistance, unless specified by a mutual agreement; and
- (5) Increase the annual appropriation to the Firefighter's Contingency Fund from \$250,000 to \$750,000.

Supportive testimony was submitted by the Department of Land and Natural Resources, the State Department of Defense, the State Fire Council, and the Conservation Council of Hawaii.

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

- (1) Eliminating a mechanism in Section 185-4, Hawaii Revised Statutes, that automatically authorizes the appropriation of \$250,000 to the Firefighter's Contingency Fund each year;
- (2) Appropriating \$250,000 for fiscal year 1992-1993 to be deposited into the Firefighter's Contingency Fund; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2730, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2730, H.D. 2.

Signed by all members of the Committee.

SCRep. 1230-92 Finance on S.B. No. 3080

The purpose of this bill is to address an inequity in Hawaii's Workers' Compensation law by requiring an employer to pay an injured worker a weekly benefit equal to the maximum compensation rate for the period named in the schedule of permanent partial disabilities without regard to the workers' average weekly wage.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii State Teachers Association, the Hawaii Nurses' Association Collective Bargaining Organization, the ILWU Local 142, and the Hawaii State AFL-CIO. The Chamber of Commerce of Hawaii, the National Federation of Independent Business Hawaii, and the Hawaii Independent Insurance Agents Association opposed the passage of this bill.

This bill has been amended by correcting technical, drafting, and stylistic errors; no substantive amendments were made.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3080, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3080, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1231-92 Finance on S.B. No. 3372

The purpose of this bill is to establish the position of administrator to take the place of the secretary, who serves as advisor to the Board of Trustees (Board) of the Employees' Retirement System (System).

In addition, this measure provides that the incumbent secretary of the System serve at the pleasure of the Board and may be appointed as administrator.

Currently, the secretary of the System, who is also an employee of the Department of Budget and Finance, serves as an advisor to the Board. Your Committee believes that the establishment of an administrator position will encourage more independent decision-making in the management of this multi-billion dollar entity.

Testimony in support of this bill was submitted by the Hawaii Government Employees Association.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3372, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1232-92 Finance on S.B. No. 2858

The purpose of this bill is to assist prospective homebuyers by:

- (1) Allowing the Housing Finance and Development Corporation (HFDC) to establish a Homebuyers' Club Program to educate prospective homebuyers on how to save money and resolve credit problems, as well as how to shop for and purchase a home;
- (2) Allowing the HFDC to establish a Rent-to-Own Program under which housing units that are for sale may be rented to program participants with HFDC crediting a portion of the rent received toward the purchase of the unit by the program participant;
- (3) Establishing a Downpayment Loan Program Revolving Fund to be funded from the proceeds of general obligation bonds and legislative appropriations;
- (4) Authorizing the HFDC to make grants, as well as loans, from the Hawaii Development Revolving Fund for, among other things, engineering, feasibility studies, and other initial costs attributed to the development of low or moderate cost housing projects;
- (3) Clarifying that HFDC, in its management of the State Mortgage Guarantee Program, may guarantee up to the top twenty-five percent of the principal balance of real property mortgage loans for the purchase of qualified single-family or multifamily units;

- (4) Deleting the condition that a qualified borrower under the State Mortgage Guarantee Program be a sound credit risk with ability to repay the loan;
- (5) Allowing HFDC to use a private lender under the State Mortgage Guarantee Program;
- (6) Specifying that the HFDC may set the interest rates on direct downpayment loans to eligible participants of the Downpayment Loan Program from zero to eight percent, depending on the buyers' incomes;
- (7) Providing that the downpayment loans are due and payable upon the sale, transfer, or refinancing of the home; and
- (8) Changing two of the conditions to qualify for a downpayment loan by requiring that a person physically reside in the home for the term of the loan and requiring that a person provide a portion of the downpayment equal to at least three percent of the sales price.

Supportive testimony was submitted by the HFDC and the Honolulu Community Action Program, Inc.

Upon further review, your Committee has made numerous technical, nonsubstantive revisions to correct drafting errors and for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2858, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2858, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1233-92 Finance on S.B. No. 3004

The purpose of this bill is to appropriate funds for the removal of hazardous materials from public schools by the Department of Health.

In addition, the measure stipulates that contract services may be obtained if the Department of Health finds that the State does not have the requisite expertise or resource capabilities for removal projects.

The Department of Health and the Department of Education submitted testimony supporting the appropriation of funds for the removal of hazardous materials from public schools, but objected to the designation of the Department of Health as the agency responsible for this activity. Both Departments supported the designation of the Department of Education as the responsible agency.

The Hawaii State Teachers Association and several chemistry and science teachers submitted testimony in support of this measure.

The bill has been amended by inserting the sum of \$50,000 in the appropriation section.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3004, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3004, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1234-92 Finance on S.B. No. 2868

The purpose of this bill is to address the rental housing needs of persons and families in the low- and very low-income group by providing loans or grants for rental housing projects through the establishment of the Hawaii Rental Housing Trust Fund (Trust Fund).

Specifically, this bill creates a 17-member Rental Housing Trust Fund Commission (Commission), that would be placed within the Hawaii Housing Authority (HHA) for administrative purposes. The Commission would be composed mainly of citizens and would be authorized to expend moneys from the Trust Fund. Beginning July 1, 1993, between \$20,000,000 and \$100,000,000 shall be deposited into the Trust Fund from the general fund.

The Housing Finance and Development Corporation (HFDC) supported the concept of the bill, but disagreed with several of its provisions. The following organizations supported the establishment of the Trust Fund and the need for \$20,000,000 to \$100,000,000 to be deposited into this Trust Fund: the Public Policy Program of the Roman Catholic Church; the Hawaii Developers' Council; Hawaii Centers for Independent Living; the Honolulu Neighborhood Housing Services, Inc.; the Rental Housing Trust Fund Coordinating Committee; the American Association of Retired Persons; the Catholic Charities of the Diocese of Honolulu; the Hawaii Community Reinvestment Corporation; the Land Use Research Foundation of Hawaii; the Honolulu Community Action Program, Inc.; and an interested individual. The Hawaii Association of Realtors also testified on this bill.

Your Committee has amended this bill by:

- (1) Deleting the requirement for an annual deposit of between \$20,000,000 and \$100,000,000 from the general fund into the Trust Fund;

- (2) Placing the Trust Fund and the Commission within the HFDC instead of the HHA;
- (3) Combining low-income tenants together with tenants' advocacy organizations for a single seat representation on the Commission;
- (4) Adding small landowners as a new group with a single seat representation on the Commission;
- (5) Requiring that conveyance tax revenues pursuant to Chapter 247, Hawaii Revised Statutes, be deposited into the Trust Fund effective July 1, 1993;
- (6) Authorizing the Director of Finance to transfer \$20,000,000 into the Trust Fund from the Rental Assistance Revolving Fund; and
- (7) Correcting certain typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2868, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2868, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1235-92 Finance on S.B. No. 2882

The purpose of this bill is to:

- (1) Establish a temporary Waikiki Task Force to select or amend an existing Waikiki district master plan; research, study, explore, and assess ways to finance and implement the Waikiki district master plan; and develop an overall strategy for implementing and financing the master plan;
- (2) Establish the boundaries of the Waikiki district;
- (3) Create the Waikiki District Special Fund into which receipts, revenues, and appropriations are to be deposited for the purposes of the Act;
- (4) Transfer employees of the Waikiki Convention Center Authority to the Waikiki Task Force; and
- (5) Appropriate an unspecified amount, to be matched by the City and County of Honolulu and the private sector, to be deposited into the Waikiki District Special Fund.

Your Committee received voluminous testimony from the Department of Business, Economic Development, and Tourism; the Mayor of the City and County of Honolulu; a Council member of the City and County of Honolulu; the Waikiki Convention Center Authority; the Waikiki Improvement Association; the Hawaii Convention Park Council; the Chamber of Commerce of Hawaii; the League of Women Voters of Honolulu; the Queen Emma Foundation; People for Preservation of Hawaii's Socio-Cultural Resources; and a concerned citizen.

This bill has been amended by 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. 2882, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2882, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1236-92 Finance on S.B. No. 2452

The purpose of this bill is to authorize the issuance of general obligation bonds in the amount of \$2,000,000, and appropriate \$2,000,000 of general revenues for the placement of utility wires, cables, and related equipment underground in the area of the Diamond Head Bikeway.

Testimony in support of the intent of the bill was submitted by the Department of Transportation; the City and County of Honolulu Department of Transportation Services; a Council member of the City and County of Honolulu; the Outdoor Circle; the Makalei Place Association; the Diamond Head Association; the Diamond Head/Kapahulu/St. Louis Heights Neighborhood Board No. 5; Island Triathlon and Bike Inc.; and interested individuals. GTE Hawaiian Tel presented verbal testimony on this measure, noting their concerns on the potential financial responsibilities of the City and County of Honolulu and the utility companies on this project.

This bill has been amended by:

- (1) Reducing the authorized general obligation bond issuance sum to \$1 for the purpose of further discussion;
- (2) Deleting the \$2,000,000 general revenue appropriation; 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 S.B. No. 2452, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2452, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1237-92 Finance on S.B. No. 3307

The purpose of this bill is to appropriate \$383,784 to improve the ability of the Child Support Enforcement Agency (CSEA) to ensure that custodial parents are provided expeditious child support services.

This bill authorizes CSEA to establish thirty-nine new positions and purchase necessary office equipment.

Currently, CSEA is struggling with the dilemma of having to comply with more stringent federal requirements and performance standards with inadequate resources. For example, CSEA must take corrective action to meet audit compliance criteria. In addition, it is required to process cases within prescribed time frames and implement a system for periodic review and modification of support orders.

The Parent's Child Support Network and interested individuals testified in support of this measure. The Department of the Attorney General also supported the measure to the extent that the appropriation does not supplant funds contained in the Executive Budget request.

Upon further consideration based on the State's current fiscal constraints, your Committee has amended the bill by:

- (1) Appropriating or authorizing \$61,371 (general funds) and \$119,133 (other federal funds) to establish six permanent child support enforcement specialist IV positions;
- (2) Authorizing CSEA to establish an additional thirty-three permanent positions; and
- (3) Making technical, nonsubstantive revisions for purposes of style, consistency, and clarity.

It is the intent of your Committee to fund the additional thirty-three positions in the next fiscal biennium, provided that the State's financial outlook improves.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3307, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3307, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1238-92 Finance on S.B. No. 1419

The purpose of this bill is to implement the Catastrophic and Traumatic Emergency Response Program to provide psychological assistance to persons and communities affected by catastrophic or traumatic emergency events.

Testimony in support of the intent of this measure was submitted by the Department of Health, the Hawaii Psychological Association, Trauma Stress Recovery, Inc., and the Disaster Medical Assistance Team.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1419, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1239-92 Finance on S.B. No. 2407

The purpose of this bill is to:

- (1) Establish a fifteen-member Queen Liliuokalani Commemoration Commission to be appointed by the Governor and placed within the Office of Hawaiian Affairs, for administrative purposes, for the planning and execution of activities to educate all segments of the population on the life of Queen Liliuokalani;
- (2) Appropriate \$500,000 for commemorative activities and to disseminate information; and
- (3) Declare January 17, 1993, as a day of commemoration to recognize the life and contributions of Queen Liliuokalani.

The Office of Hawaiian Affairs submitted testimony in support of this measure noting the significance of the Liliuokalani commemoration to all people seeking justice for past injustices. Two individuals submitted testimony raising concerns about the \$500,000 appropriation amount recommended by the prior subject matter committee.

Your Committee has amended this bill by:

- (1) Reducing the \$500,000 appropriation to \$1 for purposes 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. 2407, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2407, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1240-92 Finance on S.B. No. 2638

The purpose of this bill is to ensure that the Department of Hawaiian Home Lands (DHHL) realizes thirty percent of the revenue derived from the transfer of former sugarcane lands as set forth in Articles XII, Section 1, of the State Constitution that are conveyed for the development of housing projects to the Housing Finance and Development Corporation (HFDC).

As received by your Committee, this bill:

- (1) Requires the amount of compensation to DHHL to be computed by a formula specifying that the fair market value of the land is to be multiplied by thirty percent;
- (2) Defines "fair market value" as the value of the land based on the uses of the land as set forth in the development agreement between HFDC and the housing project's developer;
- (3) Requires the performance of appraisals for said sugarcane lands by two disinterested appraisers--one of which under contract with the Department of Land and Natural Resources, and the other of which under contract with the DHHL and the Office of Hawaiian Affairs (OHA);
- (4) Provides for the selection of a mutually agreed upon third appraiser and sets forth a course of action to follow, in the event the two appraisers are unable to agree on a fair market value;
- (5) Leaves unspecified the date when the amount due to the DHHL will be payable following agreement on the appraised value; and
- (6) Specifies that if the amount is not paid to the DHHL on a timely basis, the appraised value amount will be subject to five percent simple interest per annum additional payment.

By way of a brief background, Article XII, Section 1, of the Hawaii State Constitution provides that thirty percent of State receipts derived from the lease of lands cultivated as sugarcane lands as of November 7, 1978, shall continue to be transferred to DHHL "whenever such lands are sold, developed, leased, utilized, transferred, set aside, or otherwise disposed of for purposes other than the cultivation of sugarcane."

The subject of DHHL's thirty percent entitlement has been the subject of a long, and oftentimes emotional, debate. This particular measure along with a host of other Native Hawaiian entitlement measures has been one of the most difficult issues to resolve. On one hand, the Legislature has recognized that Native Hawaiians are entitled to certain forms of compensation. And on the other hand, at this particular point in time of the legislative session, State funding sources must be identified in a fiscally austere biennium to pay a fair market price for the transfer of public land trust sugarcane lands for housing development.

In its deliberations, your Committee has resolved to fashion a fair compensation formula which reflects accepted appraisal assumptions and guidelines to come up with the most equitable formula for the computation of land values. It is the intent of your Committee to strive for a formula which results in computations which are fair, and which result in a fair price for public land trust sugarcane lands being transferred for housing development. In a nutshell, the State should pay a fair price for the public land trust sugarcane lands transferred--no more or no less.

Accordingly this measure has been amended by:

- (1) Revising the definition of "fair market value" to mean the amount of money which a purchaser willing but not obliged to buy would pay to an owner willing but not obliged to sell, taking into consideration governmental land use designations and zoning affecting the land at the time of the appraisal;
- (2) Specifying that the designated parties will contract for the services of two appraisers within ten days after the DLNR gives written notice to DHHL and OHA that the lands being considered for transfer to HFDC are public land trust sugarcane lands;
- (3) Providing that in the event that the two appraisers appointed are unable to agree on a fair market value within ten days, DLNR and DHHL with OHA will contract for the services of a mutually selected third appraiser, and specifying that the decision of the majority of the appraisers will be final with respect to the determination of the fair market value;
- (4) Specifying that the amount due to DHHL as compensation for the lands transferred shall be [Byable on the date of the conveyance of the land to HFDC, and any amounts not paid at this point in time will be subject to a five percent simple interest per annum payment by the State to DHHL; and
- (5) 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. 2638, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2638, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1241-92 Finance on S.B. No. 2485

The purpose of this bill is to ensure that the Office of Hawaiian Affairs (OHA) realizes twenty per cent of the revenue derived from any land of the Public Land Trust conveyed by the Department of Land and Natural Resources (DLNR) to the Housing Finance and Development Corporation (HFDC) for the development of housing projects.

As received by your Committee, this bill:

- (1) Requires the amount of compensation to OHA to be computed by a formula specifying that the fair market value of the land is to be multiplied by twenty per cent;
- (2) Defines "fair market value" as the value of the land based on the uses of the land as set forth in the development agreement between HFDC and the housing project's developer;
- (3) Requires the performance of appraisals by two disinterested appraisers, one of which would be under contract with DLNR and the other under contract with OHA; if the land is of the public land trust and sugarcane lands, then OHA and the Department of Hawaiian Home Lands (DHHL) shall contract a single appraiser;
- (4) Provides for the selection of a mutually agreed upon third appraiser and sets forth a course of action to follow, in the event the two appraisers originally selected are unable to agree on a fair market value;
- (5) Leaves unspecified the date when the amount due to OHA will be payable following agreement on the appraised value;
- (6) Specifies that if the amount is not paid to OHA on a timely basis, the appraised value amount will be subject to 5 per cent simple interest per annum additional payment; and
- (7) Provides that OHA Board members shall receive compensation equal to the amount of the legislative salary to be established by the next commission on legislative salary.

In its deliberations, your Committee has resolved to fashion a fair compensation formula reflecting accepted appraisal assumptions and guidelines to come up with the most equitable formula for the computation of land values. It is the intent of your Committee to strive for a formula that results in computations which are fair, and which result in a fair price for public land trust sugarcane lands being transferred for housing development. In a nutshell, your Committee believes that the State should pay a fair price for the lands being transferred--no more or no less.

Your Committee has amended this bill by:

- (1) Inserting a new definition of "fair market value" to mean the amount of money that a purchaser, willing but not obliged to buy the land, would pay to an owner, willing but not obliged to sell it, taking into consideration the governmental land use designations and zoning at the time of the appraisal. This amendment reflects present practice in determining fair market value;
- (2) Establishing the date of the appraisal not more than ninety days prior to the conveyance of the land to HFDC instead of not more than ninety days following the execution of the development agreement;
- (3) Setting a ten-day time limit for contracting appraisers:
 - (a) Following the date that DLNR gives written notice of the proposed conveyance of the land to HFDC when the affected parties need to contract for their own appraisers; and
 - (b) Following the date that the two appraisers are unable to agree on a fair market value when a third appraiser is needed;
- (4) Providing that if any party fails or refuses to contract the services of an appraiser, then the other party may petition the circuit court to appoint the other appraiser;
- (5) Establishing the payment of the amount due to OHA as the date of the conveyance of the land to HFDC instead of within an unspecified period following agreement on the appraised value;
- (6) Clarifying the definition of "revenue" pursuant to Section 10-2, HRS, to include moneys derived from the development of housing projects after the conveyance of the public land trust to HFDC;
- (7) Replacing the language in Section 3, relating to compensation for OHA trustees, by establishing an advisory commission to study and make recommendations to the 1993 Legislature. Issues to be studied include whether compensation should be in the form of an annual salary and who should determine the amount of the salary. Your Committee finds that since the Legislative Reference Bureau's study did not address the amount of compensation, the establishment of an advisory commission would be an appropriate step; and
- (8) 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. 2485, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2485, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1242-92 Finance on S.B. No. 2253

The purpose of this bill, as received by your Committee, is to provide for the future of Hawaii's public education system by:

- (1) Setting forth state policies that will constitute principles for governing the public schools;
- (2) Proposing a constitutional amendment to limit the Board of Education (BOE) to being a policymaking body by removing its authority over the internal organization and management of the public schools;
- (3) Requiring the Governor to conduct a public hearing to explain any proposed vetoes, cuts, or restrictions in the budget of the Department of Education (DOE), and to receive public input on the proposed budgetary actions;
- (4) Providing for the establishment of a business manager pilot program within areas to be served by school support centers;
- (5) Providing for the establishment of a year-round school program to be administered by the BOE; and
- (6) Providing for the establishment of an extended school day pilot program to be administered by the BOE to accelerate voluntary experimentation.

Before discussing the substantive provisions and revisions made to this measure, your Committee would like to take this opportunity to make some preliminary comments to set the tone for this Committee Report and for legislative activities for the remainder of 1992 Session.

There is no doubt that education is one of the top priorities of each and every House and Senate member serving in the Legislature at the present time. Democrat and Republican alike in both chambers are in total agreement that any investment in public education is a wise and sound investment in Hawaii's future.

Moreover, it is heartening to see a renewed and vigorous interest on the part of the general public in the area of education, more specifically, the learning process, student achievement, the learning environment, career satisfaction for teachers and administrators, and the governance structure of Hawaii's public education system. The participation of a diverse group of people, not just parents, from across all segments of Hawaii's communities, including the State's corporate leaders, small business entrepreneurs, and organized labor, is encouraging.

Over the years the climate for change or "reform" has escalated, and monetary requests for new programs, salary adjustments, new facilities, repair and maintenance acceleration, textbooks, and state-of-the-art equipment has concomitantly increased as well. Your Committee hypothesizes that if all the funding requests in the area of lower and higher public education were to be satisfied, the entire supplemental budget, if not more, will have to be devoted to this one service program area.

As the House Committee charged with the responsibility of overall State financing policies, your Committee members realize that while education is one of the top priorities of the State, other pressing priorities and needs, such as health, human services, and housing must be met as well. Furthermore, in view of the cautious revenue forecasts for the remainder of this fiscal period, as well as for years to immediately follow, the funding of all monetary requests for education in this fiscal year is neither feasible nor responsible.

These assumptions, observations, and austere times make your Committee's work especially difficult, and this necessitates the creation of an education package that includes fiscal, as well as non-fiscal innovations.

With this in mind, your Committee has amended the bill by deleting the following provisions that:

- (1) Set forth State policies that will constitute principles for governing the public schools;
- (2) Propose a constitutional amendment to limit the BOE to being a policymaking body by removing its authority over the internal organization and management of the public schools; and
- (3) Require the Governor to conduct a public hearing to explain any proposed vetoes, cuts, or restrictions in the budget of the DOE, and to receive public input on the proposed budgetary actions.

In addition, your Committee has inserted the following provisions that:

- (1) Require a thorough assessment and evaluation of the modified lump-sum budgeting recommendation of the Task Force on Educational Governance;
- (2) Require the Legislative Auditor to submit to the Legislature a Student Impact Assessment Report before the Legislature considers any legislative measure requesting or mandating expenditures for new educational programs, activities, or policies;
- (3) Require an inventory of all "add-on" programs or activities that are related to education and are currently competing with the ongoing basic skills program in the curriculum of Hawaii's public school system;

- (4) Examine the possibility of extending the hours of instruction per school day and increasing the amount of days of instruction per school year;
- (5) Call for a comprehensive study that examines proposals for class size reduction;
- (6) Establish a school assessment and evaluation program and appropriate \$1 for the purpose of continued discussion; and
- (7) Require an evaluation and assessment of achievement tests and standards used by the DOE to evaluate Hawaii's students.

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

In closing, your Committee wishes to note that this measure, in and of itself, should not be viewed as the sole vehicle to implement change and encourage innovation for the 1992 Legislative Session. Rather, this measure should be viewed as complementary to all other bills and resolutions that are still "alive" and under consideration in both the House and Senate chambers.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2253, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2253, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1243-92 Finance on S.B. No. 3367

The purpose of this bill is to:

- (1) Designate the Department of Human Services (DHS) as the lead agency for all sexual assault and domestic violence programs under contract with executive departments of the State; and
- (2) Allow the DHS to contract with a master contractor to handle all subcontracts with private agencies to handle issues relating to domestic violence and sexual assault.

In compliance with the intent and purpose of this measure, your Committee feels that all sexual assault and domestic violence programs, as well as appropriated moneys thereto, under the Department of Health should be transferred to DHS.

Testimony in support of this measure was submitted by DHS and the Child and Family Service.

Your Committee has amended this bill by:

- (1) Deleting all references to a master contractor and related provisions thereto;
- (2) Deleting all appropriation sections; and
- (3) 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. 3367, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3367, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1244-92 Finance on S.B. No. 2421 (Majority)

The purpose of this bill is to redistribute Transient Accommodations Tax (TAT) revenues among the State and each of the counties beginning July 1, 1992.

Specifically, the bill provides that three, instead of five, percent of the TAT revenues would be retained by the State to be used for, among other things, the costs of assessment, collection, and disposition of the TAT. In addition, this measure provides that the balance of TAT revenues would be distributed to each of the counties based on unspecified percentages.

Your Committee received testimony from the Department of Taxation, the Department of Budget of the City and County of Honolulu, a Council member of the Honolulu City Council, the Office of the Mayor of Hawaii County, a Council member of the Kauai County Council, the Chamber of Commerce of Hawaii, and the Tax Foundation of Hawaii.

In light of pessimistic economic projections, the Department of Taxation recommended that the State's share of the TAT revenues be maintained to fund current State programs. The counties also expressed concerns about reductions in their shares.

Accordingly, your Committee has amended the bill by maintaining the original allocation of TAT revenues. The State would continue to receive five percent of the revenues, and the remaining balance would be distributed among the counties as follows:

- (a) 14.5 percent to the County of Kauai;
- (b) 18.6 percent to the County of Hawaii;
- (c) 22.8 percent to the County of Maui; and
- (d) 44.1 percent to the City and County of Honolulu.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2421, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2421, H.D. 2.

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

SCRep. 1245-92 Finance on S.B. No. 2918

The purpose of this bill is to clarify Chapter 251, Hawaii Revised Statutes (HRS), relating to the rental motor vehicle and tour vehicle surcharge tax, by amending the definition of "rental motor vehicle" or "vehicle" to:

- (1) Include vehicles designed to carry seventeen passengers or fewer that are rented for a period of six months or less; and
- (2) Exclude certain types of trucks, truck-tractors, tractor-semitrailer combinations, truck-trailer combinations, or cargo vans.

Currently, Chapter 251, HRS, levies a rental motor vehicle surcharge tax of \$2 for every day a rental motor vehicle is rented or leased.

The Department of Taxation testified in support of this bill, and the Tax Foundation of Hawaii offered comments. Your Committee also received testimony from the Hawaii Transportation Association, Polynesian Hospitality, E Noa Tours, and Polynesian Adventure Tours.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2918, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1246-92 Consumer Protection and Commerce on S.B. No. 2306

The purposes of this bill are to:

- (1) Instruct the Insurance Commissioner of the Department of Commerce and Consumer Affairs to develop and implement an on-line computer network and data base for the identification of uninsured motor vehicles throughout the State;
- (2) Require insurers to input the vehicle and insurance policy numbers of all insured motor vehicles into the data base, and delete the information upon the cancellation or nonrenewal of an insured's policy; and
- (3) Authorize the Directors of Finance of the City and County of Honolulu, and the Counties of Hawaii, Kauai, and Maui to levy a \$100 penalty upon the renewal of registration for an uninsured vehicle.

Testimony was submitted by the Insurance Division of the Department of Commerce and Consumer Affairs; the Department of Finance of the City and County of Honolulu; the Hawaii Independent Insurance Agents Association; the Hawaii Academy of Plaintiffs' Attorneys; State Farm Insurance Companies; the Hawaii Insurers Council; and concerned citizens.

Your Committee finds that the provisions of this bill are designed to reduce the number of uninsured motorists in the State. Current estimates indicate that approximately 140,000 cars are being driven without insurance in violation of the Hawaii No-Fault Law. Because approximately twenty percent of all cars on the roadway are currently uninsured, a substantial impact has been levied on the premiums of the majority of drivers who responsibly adhere to the provisions of the No-Fault Law. In light of this, your Committee believes that this bill will ultimately lower no-fault insurance premiums by establishing a system of identifying and locating motor vehicles that are uninsured.

While your Committee is in accord with the intent of this bill, your Committee has learned that due to a lack of fiscal and human resources within the Department of Commerce and Consumer Affairs, the Insurance Division would not be able to develop and implement the on-line computer system without the appropriation of funds for this purpose.

In addition, it has come to your Committee's attention that the Department of Finance of the City and County of Honolulu (Department) currently has implemented a similar computer network and data base by which it provides motor vehicle information to law enforcement and county governmental officials throughout the State. While the Department representative did not object to altering the City and County of Honolulu's network for the purposes stated in this bill, the representative noted that the levying of a \$100 penalty on the registration renewal of an uninsured motor vehicle would place logistical hardships on the Departments of Finance of the City and County of Honolulu and the Counties of Hawaii,

Kauai, and Maui because of the extreme difficulty in determining whether a vehicle was not insured prior to processing the motor vehicle transaction.

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

- (1) Stipulating that the Director of Finance of the City and County of Honolulu establish an on-line computer network and data base for the identification of uninsured motorists throughout the State;
- (2) Clarifying that the Directors of Finance of the City and County of Honolulu and the Counties of Hawaii, Kauai, and Maui may levy a \$100 penalty upon the renewal of registration of an uninsured motor vehicle;
- (3) Delaying the effective date until 1994 to allow the counties time to establish the program; and
- (4) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2306, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2306, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1247-92 Consumer Protection and Commerce on S.B. No. 2861 (Majority)

The purpose of this bill is to restrict those lessees who may qualify under the Land Reform Act to purchase their fees by requiring a lessee purchaser of a residential houselot within the development tract to be both domiciled in the State of Hawaii and be an owner occupant of the residential structure on the leased land. The bill also restricts certain lessees who may be a trustee or beneficiary under trust documents from qualifying for fee purchase.

This bill replaces the current requirement that a potential purchaser be a resident or have a bona fide intent to reside in Hawaii with the requirement that the purchaser be domiciled in Hawaii and actually occupy the property.

Testimony was submitted in support of the bill by the Housing Finance and Development Corporation (HFDC), Kamehameha Schools/Bernice Pauahi Bishop, the Hawaii Association of Realtors and a private citizen. Testimony in opposition to the bill was submitted by American Financial Services of Hawaii, Inc., an attorney, and concerned citizens.

Upon consideration of the testimony, your Committee has amended this bill by deleting the provisions requiring the applicant to be an owner occupant of the residence, and instead modifying the intent to reside provision to require the applicant to actually reside in the residence within five years of purchase of the lot, except in hardship circumstances. The intent of this amendment is to set specific parameters for the "bona fide intent to reside" requirement. Testimony indicated that the HFDC has the means to monitor compliance with this provision for the proposed five year period.

In addition, your Committee has amended the bill by changing the definition of "fee simple lands" to include beneficiaries of trusts where the beneficiary retains the controlling interest or right to direct the management or control of the trust.

Your Committee has approached any amendment to the Land Reform Act with extreme caution, as we are cognizant of pending litigation on these issues. Therefore, your Committee has limited the provisions of this bill to those which clarify the original language. It is not your Committee's intent to in any way preempt the court's determination of the issues with the provisions of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2861, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2861, S.D. 1, H.D. 2.

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

SCRep. 1248-92 Consumer Protection and Commerce on S.B. No. 1526

The purpose of this bill is to exempt shared telecommunications services (STS) in hotel complexes and telework centers from Public Utilities Commission regulation.

Your Committee received testimony in opposition to this bill from the Public Utilities Commission (PUC), the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and GTE Hawaiian Tel (HawTel). Testimony in support of this bill was received from Outrigger Hotels, Campbell Estate, the Hawaii Hotel Association, Hall and Associates, and AT&T.

Opponents of the bill expressed concern that this bill would effectively negate Act 49, passed in 1990, which allows the PUC significant regulatory flexibility in dealing with STS providers, including the imposition of only limited PUC regulation.

This bill, however, totally exempts STS from any regulation by the PUC in hotels, hotel-condos, and telework centers, thus effectively removing all consumer safeguards for users of hotel and hotel-condo STS systems and telework centers. Among the issues that the PUC would be foreclosed from considering are the prevention of discrimination by STS

providers against some tenants, fair rates to be charged to users, access to HawTel or other protections for users if the STS abandons service, quality standards for the STS, and the potential impact on all ratepayers if HawTel loses customers and revenue due to the growth of STS.

The PUC noted that all hotels are currently allowed to install STS systems. However, hotel-condos are not. Therefore, the same rationale allowing hotels to be exempted should apply to hotel-condos where at least a certain percentage of the units are subject to the transient accommodations tax.

Your Committee amended the bill by deleting the provisions of the bill, except with reference to hotels and hotel-condos, and to require 75 percent of the units in the establishment to be subject to the transient accommodations tax.

Your Committee heard testimony that HawTel recently has submitted a tariff for review, and expects that the PUC will be opening a docket to deal with these STS issues on a generic basis. The complex issues relating to impact on ratepayers and other concerns raised by STS systems can best be addressed in a PUC proceeding with appropriate scrutiny of financial and technical data.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1526, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1526, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1249-92 Consumer Protection and Commerce on S.B. No. 3271

The purpose of this bill is to strengthen the laws relating to unlicensed contracting.

Your Committee received testimony from the Department of Commerce and Consumer Affairs (DCCA), Hawaii Flooring Association, Pacific Insulation Contractors Association, Hawaii Tile, Marble and Terrazo Contractors Association, Construction Industry Legislative Organization, Inc., and several private citizens who are attempting to become licensed contractors, but are prevented from doing so under the existing requirements of the law.

In light of the testimony presented, your Committee finds that the licensing requirements need to be revised. Currently, there are three classifications of contracting licenses, (1) general engineering contracting; (2) general building contracting; and (3) specialty contracting. Specialty contracting is comprised of sixty-eight categories, such as cement concrete, masonry, plumbing, electrical, tree trimming and roofing contractors. In order to be licensed as a contractor in any of these areas, an applicant is required to have four years of supervisory experience in the field. Your Committee finds that this requirement, as well as others, may be excessive for some areas of specialty contracting and urges DCCA to consider both appropriate requirements for each of the specialty contracting categories and possible elimination of some of these categories.

Meanwhile, your Committee has amended the bill to allow the Board to accept education as well as verifiable self-employment experience in determining licensure of applicants. Your Committee was persuaded by the testimony of the private citizens who came forward to share their frustrations in attempting to become licensed, that a critical review of these licensure requirements must be done by DCCA. It is not enough to key the specialty contracting requirements to the most "skilled" category, if by doing so, the requirements prevent other people from plying their trade, with no harm to the consumer. In other words, should the tree-trimmer have the same licensing requirements as an electrical contractor?

Your Committee deleted the phrase disallowing experience "acquired with the intent to circumvent the licensing law" because proving such an intent is highly problematic.

Currently, Section 444-2, Hawaii Revised Statutes, provides an owner-builder exemption which allows an owner to build or improve without a permit for the owner's own use, except for plumbing or electrical work. Sale or lease of the structure within one year is prima facie evidence that the improvement was done for purposes of sale or lease. This measure proposed to extend the scrutinized sale period to two years, and added a penalty which would then disqualify an owner from using the owner-builder exemption for five years. However, relatively minor changes to a structure, such as addition of a window less than a year before sale of a home, could possibly trigger the five year disqualification. Because this is such a harsh penalty, your Committee amended this bill to delete the proposed changes to the owner-builder section.

The bill increased the licensing law exemption, referred to as the "handyman" exception for small projects costing less than \$100, to \$1,000. Your Committee amended the bill to lower that exemption to \$500.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3271, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3271, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1250-92 Consumer Protection and Commerce on S.B. No. 3109

The purpose of this bill is to require insurers or self-insurers of rental vehicles to extend their insurance coverage to any person driving the insured vehicle who has the permission of the person renting it (lessee).

Your Committee heard testimony in support of this bill from the Department of Commerce and Consumer Affairs, SIDA of Hawaii, Inc., and Makena-Kihei Taxi, Ltd. Opposing testimony was presented by Budget Rent a Car Systems, Alamo Rent-a-Car, Inc., and Dollar Rent A Car Hawaii. The Hawaii Academy of Plaintiffs' Attorneys supported the bill with reservations.

Your Committee finds that under the current law rental car companies can withdraw insurance coverage from lessees who unwittingly allow others to drive their rental car, thus avoiding coverage where one would expect it. However, your Committee is concerned that the proposed legislation would require rental companies to insure drivers who may not have a drivers license, but may have the express permission of the lessee of the car. This bill would also allow a lessee to rent a car for someone who has had a driving license suspended or revoked.

In order to avoid these situations, your Committee has amended the bill by narrowing the proposed provision so that rental car companies are additionally liable for the lessee's co-habitant, such as a spouse or child living with the lessee, or a co-employee if the lessee is present in the car with the co-employee, provided that coverage only extends to those who have a valid driver's license.

The bill does not abrogate the rental car company's right to seek redress from the lessee, or driver, of the car.

Testimony was heard that when accidents occurred in which a rental vehicle was driven by someone other than the lessee, it was often difficult for third parties involved in these accidents to obtain information regarding the lessee, against whom the third parties may have claims. Accordingly, your Committee added a provision requiring a rental car company to provide all information it has obtained to all parties involved in the accident.

Your Committee stresses that this bill is in no way meant to restrict or supersede county ordinances regulating car rental companies. It is your Committee's intent that local ordinances affording greater protection or coverage shall continue to apply where enacted.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3109, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3109, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1251-92 Consumer Protection and Commerce and Judiciary on S.B. No. 2943

The purpose of this bill is to strengthen discrimination laws as they pertain to transactions of real property in the State of Hawaii by, inter alia:

- (1) Conforming Chapter 515, Hawaii Revised Statutes (HRS), the real estate transactions law, with the federal Fair Housing Amendments Act of 1988 (Federal Fair Housing Act);
- (2) Prohibiting the practice of depriving persons from living in discrimination-free environments by "steering" them, through real estate transactions, toward or away from certain real properties;
- (3) Making it a discriminatory practice for a religious institution or organization to give preferential treatment in real property to members of the same religion if membership is restricted on the basis of race, sex, color, marital status, familial status, ancestry, handicapped status, or human immunodeficiency virus (HIV) infection; and
- (4) Making various housekeeping revisions to Chapter 515, HRS, for the purposes of clarity and style.

Supportive testimony was submitted by the Governor's Committee on HIV/AIDS, the Hawaii Civil Rights Commission, the Commission on Persons with Disabilities, and the Hawaii Association of Realtors.

Testimony in opposition to the measure was submitted by the Rutherford Institute of Hawaii, Concerned Women of America, the Hawaii Association of Evangelicals, Christian Voice of Hawaii, and the American Freedom Coalition of Hawaii. This testimony raised concerns about whether the aforementioned provision pertaining to religious institutions and organizations is necessary to conform Hawaii's law to Federal Fair Housing Act requirements.

Your Committees have amended the bill by:

- (1) Including "age" as a protected class under Sections 515-3, 515-5, 515-6, 515-7, and 515-16, Hawaii Revised Statutes;
- (2) Defining "age" in a manner that excludes unemancipated minors from the class protected against age discrimination; and
- (3) Deleting language which specifies that it is a discriminatory practice for a religious institution or organization to give preference to members of the same religion in a real property transaction if membership in such religion is restricted on account of race, sex, color, marital status, familial status, ancestry, handicapped status, or HIV infection.

Your Committees understand that including "age" as a protected class provides consistency between the State's real estate transactions law, and the employment and public accommodations laws. Unemancipated minors have been excluded from this class to avoid a potential conflict with existing laws protecting minors.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 2943, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2943, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Cachola.

SCRep. 1252-92 Consumer Protection and Commerce on S.B. No. 363

The purpose of this bill is to exempt voluntary lease fee sales to individual lessees from the requirement that a first right of refusal be afforded to the association of owners or the cooperative housing corporation.

Your Committee received testimony in support of the bill from the Government Affairs Committee of the Hawaii Association of Realtors, the Blue Ribbon Panel, and Kamehameha Schools/Bernice Pauahi Bishop Estate.

Your Committee amended the bill to provide that in the event a lessee refuses the offer, the lessor shall then offer to sell the leased fee interest in the unit to the association of owners or the cooperative housing corporation.

Your Committee intends that nothing in the bill precludes the association from negotiating with the lessor on behalf of the lessees at the lessees' request.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 363, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 363, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1253-92 Consumer Protection and Commerce on S.B. No. 2675

The purpose of this bill is to update the State's Medicare Supplement Insurance Law to bring it into conformance with federal requirements. The bill amends current law to conform to the National Association of Insurance Commissioner's (NAIC) model act.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.

Your Committee finds that Medicare Supplement Insurance, known as medigap policies, have varied significantly between companies, states, and geographic regions. The extensive differences between policies made it difficult for senior citizens to shop and compare to find the best buy. It also led to abuses in some areas. This bill updates the State's authority to achieve the proper level of regulation and enforcement of the sale of such policies.

The new consumer protections in the bill include:

- (1) Enabling the Commissioner to adopt rules to conform to the federal requirement of standard benefit packages;
- (2) Limiting agent commissions;
- (3) Regulating loss ratios and requiring refunds under certain conditions;
- (4) Reporting of multiple policies;
- (5) Prohibiting the sale of more than one policy, except under certain circumstances; and
- (6) Imposing a "take-all-comers" provision for the first six months of eligibility.

Your Committee amended the bill based on suggestions of the Insurance Commissioner. Language was amended to conform with the NAIC guidelines. Technical, non-substantive corrections were made to correct formatting errors in the drafting of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2675, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2675, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1254-92 Consumer Protection and Commerce on S.B. No. 2676

The purpose of this bill is to strengthen the State's Insurance Code by amending it to meet the national accreditation standards of the National Association of Insurance Commissioners (NAIC) and to provide for enhanced regulatory scrutiny and safeguards to better protect policyholders from the financial hardship and trauma of insurer insolvency.

Your Committee heard testimony in support of the bill from the Department of Commerce and Consumer Affairs, the American Council of Life Insurance, and Hawaii Independent Insurance Agents Association.

Your Committee finds that the failures of the Executive Life Insurance Company, based in California, and Mutual Benefit Life Insurance Company, based in New Jersey, have underlined the necessity of increased scrutiny and examination. These failures were not inconsequential. In the case of Executive Life, more than 12,000 consumers and \$800 million in policies were affected in Hawaii alone. Nationwide, the company had 170,000 policies in 46 states, valued at \$40 billion. Early warning of the firm's financial difficulties may have allowed for the introduction of measures to protect consumers and stabilize the company. This bill contains the provisions needed to bring Hawaii to the minimum national standards designed by the NAIC to provide the increased vigilance that may prevent future failures of this kind.

Your Committee finds that this bill is substantially similar to H.B. No. 3011, H.D.1, and made two amendments which were inadvertently omitted from S.B. No. 2676, S.D. 1. Your Committee amended the definition of "managing general agent" by listing two additional exemptions, and corrected a non-substantive error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2676, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2676, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1255-92 Consumer Protection and Commerce on S.B. No. 2237

The purpose of this bill is to require a "sunset" review by the Legislative Auditor of all laws pertaining to bail bond businesses.

The Department of Commerce and Consumer Affairs and the Professional Bail Agents Association of Hawaii testified in support of the bill.

Your Committee amended the bill to specify the two particular sections of Chapter 804, Hawaii Revised Statutes, which refer to bail bondsmen.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2237, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2237, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1256-92 Consumer Protection and Commerce on S.B. No. 2773

The purposes of this bill are to:

- (1) Delete the requirement that foreign nursing school graduates take the Commission on Graduates of Foreign Nursing Schools (CGFNS) exam prior to sitting for the National Council for Licensure Exam for Registered Nurses (NCLEX-RN);
- (2) Require that the transcripts of graduates of Board of Nursing-approved nursing schools in foreign jurisdictions be evaluated by professional evaluators designated by the Board of Nursing (Board);
- (3) Provide that graduates of Board-approved nursing schools in foreign jurisdictions are eligible to apply for a nursing license if they have passed one of the English proficiency examinations prescribed by administrative rules adopted by the Board;
- (4) Require nurse practitioners to apprise the Board of any disciplinary action taken or pending against the applicant during the two years prior to the application for renewal license; and
- (5) Make various housekeeping revisions to Chapter 457, Hawaii Revised Statutes, for the purposes of clarity and style.

Supportive testimony was submitted by the Board of Nursing and the Hawaii Nurses' Association.

In recent years, the State has experienced a serious shortage of nurses in Hawaii's hospitals and nursing homes. While some in the health care profession have argued that the recruitment of recent graduates of foreign nursing schools would serve as an effective means of alleviating this shortage, others have questioned whether current administrative mechanisms would adequately provide regulators the means of ascertaining the credentials and knowledge of these prospective licensees.

Currently, foreign nurse graduates are issued nurse practitioner licenses upon the successful passage of the CGFNS, and the NCLEX-RN, or completion of Operation Nightingale. The CGFNS serves two functions: (1) to test proficiency in English; and (2) to evaluate foreign programs for equivalency to U.S. nursing standards. In recent years there is a diminishing correlation between passing CGFNS and passing the NCLEX. The exam materials used by the CGFNS do not truly reflect that covered by the NCLEX. CGFNS refuses to provide detailed evaluation reports on candidates. However, the test is duplicative, because passage of the NCLEX-RN test guarantees English proficiency and this bill adds the requirement that foreign transcripts be evaluated.

In light of this, your Committee believes that the provisions of this bill would immediately expand the supply of competent nurse practitioners in the State while ensuring the safety of the people of Hawaii by eliminating the CGFNS from the licensure requirements for foreign nursing school graduates.

Earlier this year, your Committee reviewed the provisions of a similar bill, H.B. No. 2818, that would significantly ease the licensure requirements of nurse practitioners who have successfully completed the educational requirements of foreign nursing programs. Since then, your Committee has learned that the elimination of a proposal to require foreign nursing school graduates to successfully pass an English proficiency examination prior to the issuance of nurse practitioner licenses would further enhance the ability of hospital and long term health care facility administrators in recruiting qualified nurses. While your Committee initially held reservations regarding the deletion of the English proficiency examination requirement, your Committee has ascertained that the administrative review of the credentials and capabilities of prospective licensees by the professional evaluators recognized by the Board on a case-by-case basis--in lieu of examining just the credentials of the educational institution the applicant graduated from--would adequately address this concern as well as ensure the protection of the consuming public.

Accordingly, your Committee has amended this bill by:

- (1) Eliminating the English proficiency exam;
- (2) Stipulating that the Board shall evaluate the credentials of prospective licensees on a case-by-case basis; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2773, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2773, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1257-92 Consumer Protection and Commerce and Judiciary on S.B. No. 2770

The purpose of this bill is to promote a standard of professional quality to underground storage tank installation and removal work by requiring contractors offering such services to hold a license, registration, or permit.

Your Committee received testimony in support of the bill from the Department of Health and the Hawaii Automotive and Retail Gasoline Dealers Association. Opposing testimony was offered by the Sheet Metal Contractors Association of Hawaii and the Construction Industry Legislative Organization.

Your Committees find that the federal Environmental Protection Agency (EPA) rules regarding underground storage tanks (USTs) are highly technical in nature, yet affect a relatively large percentage of small businesses. Many small businesses do not have the technical expertise to comply with the federal requirements.

Prevention and minimization of future releases from USTs are promoted by tank installations conducted according to manufacture and industry standards. The minimization of potential closure and clean-up costs is also achieved through proper removal procedures. Thus, most small UST businesses must ultimately rely on the technical advice and services of environmental consultants and contractors.

Because the UST regulations address owners and operators of USTs, not their contractors or consultants, the responsibility of obtaining a "qualified" contractor rests essentially on the owner and operator. At least one-half of all states have in place, or are in the process of developing, enabling legislation to regulate UST contractors and consultants.

Your Committees find that there is a need for licensing of contractors in this area due to the work and the complex federal regulations. However, your Committees believe that the specific qualifications for licensure should be determined by the contracting licensing board. Accordingly, your Committees amended this bill to require this board to promulgate rules and determine the educational requirements for this category of specialty license.

Your Committees anticipate further discussions on this bill and have amended this bill to facilitate further analysis of the measure.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 2770, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2770, S.D. 1, H.D. 1.

Signed by all members of the Committees except Representative Cachola.

SCRep. 1258-92 Consumer Protection and Commerce and Judiciary on S.B. No. 2729

The intent of this bill is to streamline the review, research and recordation of documents in the Bureau of Conveyances (Bureau) and Land Court by clarifying and standardizing the format of and types of information being submitted on each document. This bill also authorizes the Department of Land and Natural Resources (DLNR) to establish a fee schedule with respect to recordings in the Bureau under rules pursuant to chapter 91, Hawaii Revised Statutes (HRS). This will enable DLNR to make fee adjustments in a timely manner.

Your Committees received testimony in support of the bill from DLNR, the Judiciary, Title Guaranty Escrow Services, Inc., Founder's Title and Escrow of Hawaii, First American Title Company of Hawaii, Inc., Island Title Corporation, Security Title Corp., and Long & Melone, Ltd.

In addition, the Special Committee of the Board of Directors of the Real Property and Financial Services Section of the Hawaii State Bar Association and the Condominium Property Regime Committee of the Real Property and Financial Services Section of the Hawaii State Bar Association submitted testimony in support of the proposed revision to section 501-83.5, HRS, relating to outstanding owner's duplicate certificates. The revision to this section would eliminate the requirement that all duplicate Transfer Certificates of Title (TCTs) be filed with the Land Court when filing voluntary instruments affecting title to property. This requirement creates a burden on land owners to either locate the outstanding duplicate TCTs for the property or to sign affidavits attesting to the fact that the outstanding duplicate TCTs have been lost or destroyed. This requirement also creates an administrative burden on the Land Court by ensuring that all outstanding duplicate TCTs are surrendered or that affidavits attesting to the fact that the duplicate TCTs have been lost or destroyed are submitted for filing with all voluntary instruments. The testimony unanimously supported removal of this requirement.

DLNR proposed certain non-substantive, technical corrections, which your Committee finds are appropriate.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 2729, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Cachola.

SCRep. 1259-92 Consumer Protection and Commerce on S.B. No. 3098

The purpose of this bill, as received by your Committee, is to declare void any prohibition on the installation of a solar energy device that is contained in any cooperative or condominium project by-law, declaration, or covenant, or any prohibition by a developer against such installation. The solar energy device must be properly installed and of commercial grade.

Your Committee received testimony in support of the bill from the Department of Business, Economic Development, and Tourism and the Hawaii Solar Energy Association, Inc. Your Committee also received testimony in support of the use of solar and alternative energy but expressing serious concerns about this bill from the Hawaii Association of Realtors, the Department of Commerce and Consumer Affairs, the Institute of Real Estate Management, and the Blue Ribbon Panel.

Your Committee finds that it is vital that Hawaii reduce its dependence on the use of fossil fuels, and supports the use of alternative energy. The use of a solar energy device is a reasonable alternative to the use of other types of energy. The legislature has indicated its approval of solar energy by allowing a significant tax credit for the installation of such systems. However, this measure raises a number of concerns, including the following:

- (1) In a multi-unit high rise building, there may not be enough roof space to accommodate solar panels for all units which desire to use solar panels; and
- (2) If a device is installed and becomes a common element of a cooperative or condominium, the responsibility for the care and maintenance is unclear.

While your Committee agrees with the intent of the bill, to allow residents of Hawaii to install solar energy devices to reduce the use of fossil fuel for energy generation, because of the concerns expressed, your Committee has amended the bill to address only the placement of solar energy devices on rooftops of single family residential homes, notwithstanding subdivision covenants or contract provisions to the contrary. The material that your Committee inserted does not contain the provision that the device must be properly installed and of commercial grade.

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

Signed by all members of the Committee except Representative Cachola.

SCRep. 1260-92 Consumer Protection and Commerce on S.B. No. 2258

The purpose of this bill is to provide a mechanism to enforce current no-fault laws requiring the surrender of a motor vehicle registration certificate and license plates upon termination of the insurance.

Your Committee received testimony from the Department of Commerce and Consumer Affairs, Insurance Division, the City and County of Honolulu, the Hawaii Independent Insurance Agents Association, the Hawaii Academy of Plaintiffs' Attorneys, the Hawaii Insurers Council, and private citizens.

Your Committee finds that there is a large number of uninsured motor vehicles on the road, and tougher measures are needed to enforce the no-fault laws.

This bill calls for the Police Department to enforce the no-fault laws by requiring them to locate the vehicle, even if on private property, and removing the license plates if the owner has not surrendered them to the County Director of Finance.

The City and County recommended that this bill be limited to authorizing the seizure of license plates and allowing the impoundment of the uninsured vehicle by the County Police Department. The City's concern is that the police officer not be required to enter private property to confiscate the license plates.

Your Committee has accordingly amended the bill to provide for seizure of license plates when a police officer locates the vehicle, presumably on public streets.

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

Signed by all members of the Committee except Representative Cachola.

SCRep. 1261-92 Judiciary on S.B. No. 1843

The purpose of this bill, as received, is to:

- (1) Define "assault firearm", "pistol grip", and "semi-automatic firearm";
- (2) Require registration of assault firearms lawfully possessed prior to November 4, 1992;
- (3) Restrict the importation of new assault firearms; and
- (4) Prohibit the manufacture, possession, sale, barter, trade, gift, transfer, or acquisition of detachable magazines.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu as well as the Counties of Hawaii, Kauai, and Maui, the Police Department for the City and County of Honolulu as well as the Counties of Hawaii, Kauai, and Maui, the Department of Public Safety, the Department of Health, the Office of Youth Services, the Injury Prevention Advisory Committee, the Hawaii Chapter of the FBI National Academy Associates, the State of Hawaii Organization of Police Officers, the Hawaii Firearms Control Coalition, the Hawaii Medical Association, and other agencies, community organizations, and private citizens.

Testimony in opposition to this measure was submitted by the National Rifle Association, the Hawaii Federation of Sportsmen, the Hawaii Rifle Association, the Valley Isle Sport Shooters, the Maui Expedition, the Media Shooting Club, the Hawaii Chapter of the Safari Club International, and other clubs, organizations, and private citizens.

Testimony indicated that semi-automatic assault pistols are particularly dangerous because they are easily concealed, can fire in rapid succession for sustained periods, often have barrel shrouds or threaded barrels designed for silencers, and often accept large-capacity, detachable ammunition magazines. Your Committee finds that characteristics such as these make these types of weapons especially dangerous and that the Legislature may reasonably restrict the use, possession, sale, and transfer of such weapons.

Your Committee prefers to avoid specifying a list of firearms meeting the definition of assault pistol, so it has developed a list of objective physical characteristics typical of the firearms which represents a heightened risk of danger to our community because of their concealability and firepower while having little or no utility for sporting applications.

Each of the characteristics identified were chosen because they facilitate firing a large amount of ammunition in a short period of time while maintaining sufficient control of the firearm to permit a "spraying" effect. Your Committee wishes to clarify that firearms which are "a semiautomatic version of an automatic firearm" are of particular concern because a significant number of these firearms can be converted to fully automatic fire, even if only temporarily, with relative ease. Some of these firearms, such as the UZI pistol, may have been redesigned from a fully automatic carbine for semiautomatic operation, but are clearly "versions" of those weapons because they possess many, if not all, of the characteristics of their ancestors except their mode of operation.

This bill has been amended as follows:

- (1) By deleting all existing substantive provisions;
- (2) By inserting provisions defining "assault pistols" and "semiautomatic";
- (3) By restricting the lawful possession of assault pistols;
- (4) By prohibiting the manufacture, possession, sale, barter, trade, gift, transfer, or acquisition of certain detachable magazines; and
- (5) By inserting a provision directing the Chiefs of Police of the respective counties and the Attorney General to make reasonable efforts to publicize a list of firearms which the respective chiefs have determined meet the definition of "assault pistol", with the proviso that the respective Chiefs have no authority to adopt rules or regulations having the force of law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1843, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1843, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1262-92 Judiciary on S.B. No. 3316

The purpose of this bill, as received, is to establish an expanded marine life conservation district (MLCD) in the Waikiki-Diamond Head area. The new MLCD would extend out to sea from the Diamond Head lighthouse in the east and the Ala Wai Channel in the west. The seaward boundary of the MLCD would be established by the straight line connecting the Diamond Head buoy with the point directly out from the Ala Wai Channel at which the depth of the ocean reaches 100 feet. Within the new MLCD there would exist zones A, B, and C, each zone in turn containing a subzone. These subzones would each have a southern boundary measured at a distance of 500 yards from the highwater mark or to the edge of the fringing reef, whichever is greater. Activities within each zone or subzone would be governed by laws or rules. The MLCD would be established by the rule-making authority of the Department of Land and Natural Resources (DLNR), prior to January 1, 1993.

Testimony in support of this measure was received from the Honolulu Department of Parks and Recreation, the Bishop Museum, the Waikiki Improvement Association, the Waikiki Beachcomber Hotel, Kawika Aina Corporation, Aikane Catamarans, and numerous individuals.

Testimony in support of the intent of this bill was received from the Department of Land and Natural Resources, TORCH, the Hawaii Council of Diving Clubs, the Hilton Hotels Corporation, and numerous individuals.

Testimony in opposition to this measure was received from the Hawaii Beachboy Service Association, Surf and Water Sports World, Ocean Innovators, Save Our Surf, Tropical Fish & Vegetable Center, West Diamond Head Community Association, Sierra Club, Uaukewai Diving, Salvage & Fishing, Robert Dunn and Associates, All Hawaiian Tropicals, and many private citizens.

Waikiki is a favorite water usage area for residents of Oahu. One popular reason that residents enjoy Waikiki's beach and ocean is to primarily view and relate to its beautiful fish. Presently, Oahu does not have enough sites where these activities can take place. The present Waikiki MLCD has been partially successful, and has resulted in a noticeable increase in the numbers of fishes, but more deep water habitat is needed to allow larger fish to find safe refuge. It is these larger fish which are most important to breeding populations. The present MLCD provides a safe habitat for young fish but there is no deep water haven to move to when they grow older. As soon as they move over the edge of the fringing reef into deeper water they become fair game. It is for the protection of these larger fish that the Waikiki MLCD was proposed to be expanded.

Reasons given by those testifying in support of this measure includes, that government management of this area:

- (1) Promotes the increase of marine life; and
- (2) Eliminates the safety hazard of mixed uses (fishing and swimming).

Reasons given by those testifying in opposition to this bill includes, that the bill:

- (1) Fails to account for the many uses of the area; and
- (2) Favors certain commercial activities over others.

Your Committee is appreciative of the tremendous public response generated by this bill's subject matter. Your Committee finds that all of the people who testified before it were sincere in their belief that the conservation and preservation of Waikiki's remaining resources is of primary concern to the people of this State. Where these parties diverge, however, is in the manner of managing these resources.

In consideration of all of the issues raised before this Committee, this bill is amended by deleting its substantive contents. This bill is also amended by inserting language mandating:

- (1) That there is established within the Office of State Planning a task force to develop a feasibility plan to expand the Waikiki MLCD. The task force shall consist of seventeen members, each member to be a representative from a different group, organization, or agency. Those to be represented are:
 - (a) the Department of Land and Natural Resources;
 - (b) the Harbor Patrol;
 - (c) the Hawaii Beachboy Service Association;
 - (d) the Waikiki Improvement Association;
 - (e) the Hawaii Hotel Association;
 - (f) Neighborhood Board Number 5;

- (g) Neighborhood Board Number 9;
 - (h) the Waikiki Residents Association;
 - (i) the Waikiki Aquarium;
 - (j) the University of Hawaii Environmental Center;
 - (k) the West Diamond Head Community Association;
 - (l) a representative of commercial fishermen;
 - (m) a representative of environmental organizations;
 - (n) a representative of the swimming community;
 - (o) a representative of the surfing community;
 - (p) a representative of commercial tour boat operators; and
 - (q) a representative of recreational fishermen;
- (2) That the Governor shall first seek representation on the task force from the aforementioned groups;
 - (3) That all appointments to the task force shall be made by July 15, 1992;
 - (4) That the task force conduct public information-gathering meetings in Waikiki and such other locations as may be appropriate to solicit input and promote debate and discussion on the issue of an expansion of the current Waikiki MLCD;
 - (5) That the task force develop a feasibility plan for Waikiki that will:
 - (a) enhance the marine environment;
 - (b) ensure the safety of Waikiki and other State residents regarding the mixed uses of recreational and commercial activities; and
 - (c) ensure the proper mix of recreational activities currently present in the area;
 - (6) That the task force develop mechanisms and procedures for ensuring public discussion on these issues at the grassroots level;
 - (7) That the task force coordinate with the affected neighborhood boards the planning and conducting of the public forums;
 - (8) That the Office of State Planning provide assistance to the task force upon request; and
 - (9) That the task force submit a report of its findings and recommendations to the Legislature on June 30, 1993.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3316, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3316, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1263-92 Judiciary on S.B. No. 2283

The purpose of this bill, as received, is to:

- (1) Require the counties to accept the dedication of streets, vehicular rights of way, and other public facilities or easements, subject to certain indemnification provisions;
- (2) Clarify that State and County standards which are in force when the project is developed shall be the applicable standards;
- (3) Clarify that the final plans and specifications for a project developed shall be deemed to be in conformance with the general plan and development or community plan and shall constitute the zoning, building, construction, and subdivision standards of the County for the project;
- (4) Require that the State indemnify the County and correct construction defects for 30 years from the date of dedication under certain conditions; and
- (5) Clarify that the date of dedication shall be effective upon the filing with the County any deeds or documents for the conveyance of property interests.

Testimony in support of this measure was received from the Department of Budget and Finance. Testimony in support of the intent of this measure was received from the Honolulu Department of Land Utilization and the Kauai County Housing Agency. Testimony in opposition to this measure was received from the Honolulu Department of Public Works.

The Honolulu Department of Land Utilization and the Kauai County Housing Agency both testified that H.B. No. 3075, H.D. 2, is an acceptable interim measure until Act 15 is automatically repealed in 1993. Therefore, this bill is amended by deleting its contents and inserting the substantive language found in H.B. No. 3075, H.D. 2, which:

- (1) Requires the counties to accept the dedication of streets, vehicular right of ways, and other public facilities or easements developed pursuant to Act 15, SLH 1988, subject to certain indemnification provisions;
- (2) Clarifies that the State and County standards which are in force when the project is developed shall be the applicable standard;
- (3) Amends subsection (e) of Section 5 of Act 15 to read: "when the county has approved the construction documents for the public facilities prior to commencement of construction"; and
- (4) Amends subsection (f) of Section 5 of Act 15 to read: "The corporation shall cause to be corrected all construction defects in infrastructure and public facilities developed under this Act for 30 years from the date of dedication of the public facility or project."

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2283, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2283, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1264-92 Judiciary on S.B. No. 2592

The purpose of this bill is to upgrade the penalty for theft of a firearm from theft in the second degree to theft in the first degree, a class B felony.

This bill upgrades the penalty for any theft of a firearm to reflect the seriousness and potential dangerousness of the crime. The mandatory sentencing for class B felonies would send such a message.

Many criminals cannot register or own firearms and thus, must get them elsewhere. Often, they themselves must steal firearms, have someone else steal them, or purchase stolen firearms. Consequently, many thefts or burglaries may have been initiated specifically because of the need to get a firearm.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and the Police Department of the City and County of Honolulu.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2592, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2592, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Hagino.

SCRep. 1265-92 Judiciary on S.B. No. 1166

The purpose of this bill, as received, is to define the term "formal charge" under the Uniform Information Practices Act (Modified) ("UIPA"), and to clarify when and what information concerning formal charges should be disclosed to the public.

Testimony in support of this measure was received from the American Civil Liberties Union of Hawaii and private citizens. Testimony in favor of the intent of this measure, but not to the bill as written, was received from the State Office of Information Practices, the State Department of Personnel Services, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. The Honolulu Police Department and the State of Hawaii Organization of Police Officers testified against this bill.

The testimony from various parties indicated concern about the definition of "formal charge" contained in this bill. Your Committee finds that the companion to this bill, H.B. No. 3007, contains provisions that are preferable to this bill, and, in addition, contain other housekeeping amendments. Accordingly, your Committee has amended this bill as follows:

- (1) By deleting all substantive provisions of this bill; and
- (2) By inserting the substantive provisions of H.B. 3007.

This bill, as amended, clarifies:

- (1) What constitutes a "formal charge" against a government agency employee that must be disclosed upon request to the public under the Uniform Information Practices Act (Modified), Chapter 92F, Hawaii Revised

Statutes ("HRS") ("UIPA"), when such charges should be disclosed, and what information about these charges should be disclosed;

- (2) That advisory, consultative or deliberative information, not otherwise protected from disclosure by law, that is identified and substantively discussed at a public agency meeting does not fall within the scope of the UIPA exception to required agency disclosure set forth in Section 92F-13(3), HRS;
- (3) The conditions set forth in Section 92F-13(3), HRS, under which an agency may disclose government records to another agency that are otherwise confidential under part II of the UIPA;
- (4) That "criminal history record information" is not exempt from inspection and copying by the individual to whom the information pertains under part III of the UIPA;
- (5) That the exceptions to public access set forth under part II of the UIPA apply only to part II of the UIPA; and
- (6) That the exemptions to an individual's right to inspect the individual's personal records under part III of the UIPA apply only to part III of the UIPA.

This bill, as amended, also makes technical, nonsubstantive amendments to the UIPA for purposes of style, clarity and consistency.

Your Committee further finds that the complexity and importance of the UIPA require further discussion and further reports as follows:

Formal Charges

Under this bill, as amended, a "formal charge" is defined as a written complaint filed in accordance with a written agency disciplinary procedure that affords minimum due process. By setting forth the criteria of what constitutes a "formal charge," your Committee intends that this definition encompasses only complaints of serious misconduct by employees handled under the agency's disciplinary procedure for such cases, rather than frivolous or other reports of infractions by employees, the disposition of which occurs outside of the agency's disciplinary procedure for serious misconduct. Your Committee urges all government agencies as a matter of sound administrative practice to adopt written disciplinary policies and procedures for processing formal charges of serious misconduct by employees.

Under amendments proposed by this bill, as amended, an employee against whom a formal charge is filed would have a significant privacy interest in information about the formal charge that reveals the employee's identity, but not after the person in the agency who is authorized to impose, as opposed to recommend, discipline, makes an actual finding of reasonable, probable, or similar cause to believe the allegations set forth in the formal charge. After such a finding is actually made, the agency employee is deemed not to have a significant privacy interest, and the agency would then be required to disclose the employee's name, the agency's written disposition of the formal charge, and any disciplinary action taken. Under this bill, as amended, the possibility of an appeal, arbitration hearing, or the filing of a grievance will not prevent the disclosure of this information at the time of the agency's finding sustaining the formal charge.

When the agency has not yet made a finding on a formal charge, or makes a finding that there was no reasonable, probable, or similar cause to sustain the formal charge, the agency must, upon request of any person, disclose at least the following non-individually identifiable information concerning the formal charge: the fact that a formal charge has been filed, the substance of the charge, and the current status of the charge (for example "under investigation" or "complaint not sustained"). However, under these circumstances, information about the formal charge that reveals the employee's identity may be withheld by the agency, unless disclosure is required by the public interest balancing test set forth in Section 92F-14(a), HRS.

Where an alleged employee infraction does not fall within the scope of the definition of a formal charge, whether or not the allegations will be subject to disclosure also depends on the outcome of the public balancing test set forth in Section 92F-14(a), HRS. The employee may have a significant privacy interest under Section 92F-14, HRS, but under the UIPA's balancing test, information about misconduct by the employee is not per se confidential.

Your Committee finds that the amendments proposed by this bill, as amended, concerning formal charges further the purpose behind the UIPA that government should conduct its business as openly as possible, while at the same time fully safeguarding the individual's constitutional right to privacy under Article I, Sections 6 and 7 of the Constitution of the State of Hawaii. Your Committee intends that the provisions of this measure, as amended, regarding formal charges apply to all State and County employees regardless of their civil service status and notwithstanding the provisions of a collective bargaining agreement under Chapter 89, HRS, to the contrary.

Advisory Information Identified and Substantively Discussed at a Public Meeting

In several advisory opinions, the Office of Information Practices ("OIP") concluded that inter-agency or intra-agency memoranda that are predecisional and deliberative would fall within a "deliberative process privilege" and, consequently, would not be required to be disclosed under the exception to mandatory disclosure set forth in Section 92F-13(3), HRS. This exception protects records that, if disclosed, would frustrate a legitimate government function. Specifically, the OIP opined that the disclosure of inter-agency or intra-agency memoranda falling within the "deliberative process privilege" would chill the free and candid exchange of ideas and opinions within or between agencies and, thereby, frustrate the legitimate government function of agency decisionmaking.

However, certain agencies are required to conduct their meetings and decisionmaking in public in accordance with Part I of Chapter 92, HRS. The proposed amendment to the exception set forth in Section 92F-13(3), HRS, would clarify that

this exception does not apply to predecisional, deliberative information that is identified and substantively discussed at a meeting or proceeding open to the public. Therefore, intra-agency and inter-agency memoranda and other government records protected by the "deliberative process privilege" would be disclosed, upon request, when identified and substantively discussed at a meeting open to the public under Part I of Chapter 92, HRS.

However, the amendment applies solely when the only UIPA exception applicable to such memoranda or information is the "deliberative process privilege" of Section 92F-13(3), HRS. Consequently, information that is otherwise protected by the exceptions in Section 92F-13, HRS, would not be affected by this amendment. The amendment also explicitly states that information discussed at an executive meeting closed to the public pursuant to Chapter 92, HRS, would not be affected by this amendment.

Disclosure to Other Agencies

Section 92F-19, HRS, sets forth the conditions under which an agency may disclose records, including confidential information, to another government agency. The proposed amendment to Section 92F-19, HRS, would require that, as one of the provisions permitting inter-agency disclosure, the disclosure must be (1) reasonably proper for the requesting agency's duties and functions, and also (2) either (a) compatible with the purpose for which the information was collected, or (b) consistent with the conditions or reasonable expectations of use under which the information was provided. Currently, the three parts to this proposed amendment are separate and alternative conditions under which an overly broad scope of inter-agency disclosures may be permitted.

In addition, under the bill, as amended, Section 92F-19(a), HRS, would also be amended to permit an agency to disclose information to other agencies and other states, as well as to the federal government, for the purpose of a civil or criminal law enforcement activity, or to audit or monitor an agency program that receives government funding.

This bill, as amended, also adds a new provision stating that an agency may disclose records to a foreign government pursuant to an executive agreement, compact, treaty, or statute. This provision is similar to the one presently contained in Section 92F-19(a)(5), HRS. However, for reasons of clarity, the language of this provision has been amended to be identical to the Uniform Information Practices Code drafted by the National Conference of Commissioners on Uniform State Laws (1980). This bill, as amended, makes it clear that informal exchanges of information between agencies and foreign governments are forbidden.

Criminal History Record Information

Currently, Section 92F-22, HRS, provides that an agency is not required to disclose criminal history record information to the individual to whom it pertains. This provision apparently conflicts with Section 846-14, HRS, that permits an individual to review the individual's criminal history record information for the purpose of determining its accuracy and completeness.

The provisions of Section 92F-22, HRS, were originally set forth in Chapter 92E, HRS, now repealed. According to the legislative history behind Chapter 92E, the Legislature added the exemption for criminal history record information in order to acknowledge that Chapter 846, HRS, governs an individual's review and correction of this information. H. Stand. Com. Rep. No. 614-80, 10th Leg., 1980 Sess., H.J. 1560, 1565. The proposed deletion of this exemption currently set forth in Section 92F-22, HRS, would eliminate the conflict between this provision and Section 846-14, HRS. This amendment effectuates this Committee's intention of permitting an individual to have access to the individual's criminal history record information in accordance with Chapter 846, HRS.

The bill, as amended, also proposes to correct an apparent grammatical error in Section 92F-22(1)(B), HRS, by changing the term "or" to "of" in the phrase "reports or informers, witnesses, and investigators." It appears that a drafting error occurred when Section 92E-3, HRS was repealed and recodified as Section 92F-22, HRS. See H. Conf. Comm. Rep. No. 112-88, 14th Leg., 1988 Reg. Sess., Haw. H.J. 817, 818 (1988).

Exceptions and Exemptions to Disclosure

As presently worded, parts II and III of the UIPA state that "this chapter" does not require the disclosure of information set forth in the enumerated exceptions or exemptions. The proposed amendment changing "this chapter" to "this part" in both parts II and III of the UIPA would clarify that the exceptions in part II of the UIPA apply only to public access under part II, and the exemptions in part III apply only to individual access under that part.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1166, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1166, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Hagino.

SCRep. 1266-92 Judiciary on S.B. No. 2227 (Majority)

The purpose of this bill is to maximize voter participation and improve the administration of the election process by:

- (1) Allowing a child to accompany an adult in the voting booth;
- (2) Permitting registered voters of a precinct to vote by absentee ballots if a precinct lists fewer than 100 registered voters and a proclamation request is made by the County Clerk;
- (3) Defining an "election district";

- (4) Disallowing the release of voter registration lists for jury duty;
- (5) Authorizing the purging of registered voter lists if no voting activity for the previous two consecutive election years has occurred;
- (6) Changing the time in which to submit the names of precinct officials after a reapportionment from 90 to 60 days;
- (7) Clarifying that the chief election officer shall provide for precinct polling places unless otherwise provided by law; and
- (8) Clarifying that a vacancy on the ballot after the close of filing may be filled by a party only after an involuntary withdrawal.

Testimony in support of this measure was submitted by the Association of Clerks and Election Officers of Hawaii and the League of Women Voters of Hawaii.

One of the unintended effects of the 1992 reapportionment plan was the creation of a number of precincts comprised of 1 to 100 registered voters. The opening, staffing, and operation of polling places for some such precincts would be at best inefficient (at a cost in excess of \$5,000 per polling site). In some instances this problem may be addressed by establishing multiple polling sites pursuant to section 11-92.2, Hawaii Revised Statutes. This is the preferred method of administration, however, in some cases, the circumstance may arise where this is either not possible or fair to the voters. This is where the option of requiring voting by absentee ballot may be considered. In order to ensure that the exercise of the franchise is not interfered with, this bill requires that all registered voters in affected precincts be notified and have appropriate absentee ballots delivered to them.

While your Committee agrees that this option should be made available to the Chief Elections Officer, it is hoped that the time never comes.

Your Committee recognizes that there exist many small communities where, through no fault of their own, the number of registered voters is below 100. Foremost among these proud communities is Kalaupapa. To deny persons the opportunity to vote in the traditional manner purely for economic reasons appears to be unjust and cruel. Exercising a unique privilege such as voting at a poll cannot be measured in dollars and cents. Within reason, all avenues should be explored to make sure that registered voters are not forced to participate anonymously through an impersonal envelope in a tradition left to us by our forefathers. Yet, it is recognized that there are circumstance unforeseen at this time which might require this option to be implemented.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2227, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.
(Representatives Thielen and Ward did not concur.)

SCRep. 1267-92 Judiciary on S.B. No. 1347

The purpose of this bill is to amend the provisions of HRS Chapter 587, the Child Protective Act. Specifically, the measure, as received, amends existing law to:

- (1) Establish an adoption assistance program within the Department of Human Services (DHS), to provide assistance to facilitate the adoption of children with special needs;
- (2) Clarify that permanency planning includes guardianship of the person of a minor, in addition to adoption and permanent custody;
- (3) Clarify the safe family home guidelines to assist child welfare services workers; and
- (4) Limit the requirements of petitioning to a concise statement of the basis for the allegation.

Testimony in support of this measure was received from the Judiciary, DHS, and the Department of Health.

In 1989, DHS began implementation of the Child Welfare Model. This model is a three part program which attempts to:

- (1) Centralize intake;
- (2) Provide emergency response for families in crisis to prevent out-of-home placement; and
- (3) Create child welfare teams to "front-load" and intensify service to families.

These child welfare teams consist of workers and paraprofessionals who begin treatment and service intervention while investigations are in process. This model is operational on Kauai and has demonstrated some positive results due to the

early involvement and collaboration with the investigative workers and the provision of immediate services to families. Oahu, through its case management contract with Parents and Children Together (PACT), has also begun implementing this team approach. Oahu will be identifying key units who will begin early collaboration and intervention with families. However, additional staff are needed if caseloads are to be manageable and if these services are to be intensive. In December 1991, staffing needs were calculated based on an earlier Evaluation Office assessment and comparisons with the Arthur Young workload study done several years ago. These calculations show a total staff need of 814, though the staff currently authorized total 375. The highest need is for paraprofessional staff to help support social workers in their outreach and family preservation efforts.

An internal case review process, at six month and twelve month intervals, is in place for children voluntarily placed and those children who come under Chapter 571, Hawaii Revised Statutes. The administrative review panel is composed of the social worker, the social worker's supervisor, a supervisor from another unit, and an unbiased third party. Foster parents and parents are invited to these reviews. DHS plans to expand this concept but will again require additional staff resources. This plan would require different program representatives (line supervisor or administrator) to review a case requiring Family Court intervention where the recommendation is out-of-home-placement to insure that initial placement decisions are appropriate and necessary.

While your Committee has always maintained that the health and welfare of children are of paramount importance, your Committee has not been unmindful of the impact the involvement of a State agency has on the affected families. Service plans need to be appropriate, focused on behavioral changes, and address the minimum standards needed for families particularly as those families are often dysfunctional. Families need to feel successful and not overwhelmed.

Your Committee, after considering all the issues relevant to this measure, has amended this bill by:

- (1) Amending section 587-1, Hawaii Revised Statutes. This section has been expanded with the emphases of the service plan including:
 - (a) focusing on family success;
 - (b) being sensitive towards the family's cultural, religious, and ethnic values;
 - (c) exploring all appropriate resources accessible to the family; and
 - (d) stressing the importance of family for the child;
- (2) Amending section 587-26, Hawaii Revised Statutes. This section is modified so that the services provided to the affected family are carefully considered and balanced with the family's ability to benefit from the services, while at the same time not confusing or overwhelming the family in the process;
- (3) Amending subsection 587-27(a)(1)(B), Hawaii Revised Statutes. This subsection would require a "clear and convincing" explanation as to why guardianship is preferable to adoption;
- (4) Amending subsection 587-27(a)(1)(C), Hawaii Revised Statutes. This subsection would require a "clear and convincing" explanation as to why adoption is preferable to guardianship; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, style, and continuity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1347, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1347, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1268-92 Judiciary on S.B. No. 1624

The purpose of this bill is to allow medical tort claims against podiatrists to be heard by the Medical Claims Conciliation Panel, and would also allow podiatrists licensed under the provisions of Chapter 463E, Hawaii Revised Statutes (HRS), to serve on the Medical Claims Conciliation Panel.

Currently, Chapter 671, HRS, provides that claims made against health care providers be handled under the Medical Claims Conciliation Panel process, whereas claims against podiatrists licensed under Chapter 463E, HRS, fall under only the jurisdiction of the court system, as podiatrists are not included as health care providers under Chapter 671, HRS.

Since a podiatrist is a full fledged member of the medical community, claims filed against podiatrists should go through the Medical Claims Conciliation Panel process which has the medical expertise to understand the issues for early settlement, disposing of the case voluntarily, or for the rendering of an advisory decision.

Testimony in support of this measure was submitted by The Legislative Center, the Foot Care Center - Hawaii, the Hawaii Foot Clinic, the Aloha Foot Centers, and concerned citizens.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1624, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1624, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1269-92 Judiciary on S.B. No. 3306

The purpose of this bill is to allow physicians to release records to the Department of Health to inform partners of patients that have human immunodeficiency virus (HIV), AIDS related complex (ARC), or acquired immune deficiency syndrome (AIDS).

Testimony in support of this measure was submitted by the Governor's Committee on HIV/AIDS, the Department of Health, the Big Island AIDS Project, the Maui AIDS Foundation, the Hawaii Medical Association, and the American Civil Liberties Union of Hawaii.

Your Committee has amended this bill by:

- (1) Providing that the physician shall have:
 - (a) The discretion to disclose or not to disclose information;
 - (b) No obligation to identify or locate a contact; and
 - (c) No civil or criminal liability for efforts made in good faith; 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. 3306, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3306, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1270-92 Judiciary on S.B. No. 2653

The purpose of this bill is to insure that the Department of Health has sufficient authority to adopt rules relative to the design, location, operation, closure and post closure maintenance of Municipal Solid Waste Landfills (MSW Landfills) as provided for by 40 C.F.R. 258, also known as Subtitle D.

By adopting rules in compliance with Subtitle D, the State would achieve "approved status" and gain considerable flexibility in the regulation of new and existing MSW Landfills. If the State fails to gain "approved status" by adopting rules in compliance with Subtitle D by October 9, 1993, the federal regulations will take effect automatically, providing no flexibility for the counties to propose alternative designs for landfills compatible with local conditions. The failure to gain "approved status" will force the counties and other landfill operators to meet strict design standards and cost the counties and Hawaii's taxpayers millions of dollars over the next few years.

Testimony in support of this measure was submitted by the Department of Health, the Department of Public Works of the City and County of Honolulu, the Maui County Council, and a private citizen. Testimony was also submitted by the Hawaii Chapter of the Sierra Club.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2653, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 1271-92 Consumer Protection and Commerce and Judiciary on S.B. No. 2361

The purpose of this bill is to reduce and stabilize the cost of motor vehicle insurance in Hawaii.

Testimony was received from the Insurance Commissioner, AFL-CIO, United Armed Forces Association, American Association of Retired Persons, Hawaii Medical Association, National Federation of Independent Business Hawaii, Hawaii Island Chamber of Commerce, Hawaii Federation of Physicians and Dentists, CAIR, Hawaii State Chiropractic Association, National Association of Retired Federal Employees, Hawaii Independent Insurance Agents Association, Non-Commissioned Officer's Association, Hawaii Academy of Plaintiffs' Attorneys, State Farm Insurance Companies, Hawaii Insurers Council, Chamber of Commerce of Hawaii, attorneys, and individual consumers.

Your Committees find that there is a need to maintain affordable no-fault insurance while balancing the rights and benefits of the consumers. To that end, your Committees have amended the bill by retaining certain provisions of the bill and inserting the bulk of H.B. No. 3974, H.D. 1, with some revisions. The provisions of the Senate bill retained are:

- (1) The provision barring a surcharge on insurance for failure to have no-fault insurance unless the insured had previously been convicted of driving without insurance; and

- (2) The section regarding a rate freeze and fifteen percent rate reduction. However, your Committees tightened this provision to only allow an insurer to evade the reduction required in this section if a company is in imminent danger of insolvency.

Your Committees heard much discussion of the increased amount of litigation in recent years and the need to return to the original intent of the no-fault insurance law, which was to keep ninety percent of accident victims out of the tort recovery system. There was also much testimony that the verbal threshold would reduce the number of lawsuits. The insurance industry testified that the effect of a strong verbal threshold would be a decrease in the percent of auto accident claims eligible for lawsuits to about thirteen percent. However, there are no assurances that a verbal threshold would produce this result. Others testified that a verbal threshold would be unfair, ambiguous, and result in more litigation.

Your Committees find that it would be desirable to return to the original intended ten percent and, in the interest of reducing litigation and the number of claims, return to the use of a formula for a monetary threshold aimed at allowing only ten percent of accident claims being eligible for suit. Your Committees have amended this bill accordingly. This mechanism was formerly enacted by the Legislature and is a restatement of the law prior to 1985. Your Committees believe that this approach to reducing lawsuits, combined with medical cost containment, will address in a fair way, two of the major reforms sought by proponents of automobile rate reductions.

The major provisions of the house bill incorporated into this bill include:

- (1) Medical cost containment which will be accomplished by adoption of a fee schedule modeled on the worker's compensation medical fee schedule;
- (2) Reduction of minimum bodily injury liability limits from \$35,000 to \$25,000;
- (3) Required disclosure of deductible options and premium savings to consumers, and increasing the amount of possible deductibles;
- (4) Disallowance of attorney fees for unreasonable claims in disputes involving no-fault benefits for the insured;
- (5) Quarterly publications of sample insurance rates by the Insurance Commissioner;
- (6) Accident claimants to be advised of no-fault benefit payments in their cases at \$5,000 intervals;
- (7) Prior approval of rate filings; and
- (8) Banning duplicate recoveries from uninsured and underinsured motorist coverages.

Your Committees are continuing discussions with the Insurance Commissioner to further develop the medical cost containment provisions, including the feasibility of some sort of peer review system to control the frequency of medical treatment. If such a system is enacted, your Committees find that it should be administered by the Insurance Commissioner.

Your Committees recognize that further discussions will occur on the issue of automobile insurance reform during this session to ensure lower premiums while safeguarding consumers.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of S.B. No. 2361, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2361, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Cachola.

SCRep. 1272-92 Consumer Protection and Commerce on H.C.R. No. 403

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a comprehensive review of the commercial practices and regulation of out-of-state pharmacies, and submit a report to the Seventeenth Legislature of 1993 that shall include, inter alia:

- (1) A survey of regulatory laws used by other states regarding out-of-state pharmacies;
- (2) An assessment of the need for similar laws in Hawaii;
- (3) A cost analysis of potential regulatory controls for out-of-state pharmacies on the operations of out-of-state pharmaceutical businesses and the local retail industry; and
- (4) An analysis of the impacts of potential regulatory controls on group insurance coverages for drugs and other medications.

Earlier this year, your Committee reviewed the provisions of H.B. No. 3027, a measure which proposed to establish regulatory controls on out-of-state pharmacies conducting business in the State of Hawaii. During the course of the hearing, your Committee learned that current statutes prohibit the Board of Pharmacy from regulating out-of-state pharmacies or entities engaged in the disbursement of prescriptive drugs into the State. A representative from the Board of Pharmacy (Board) testified that because of the Board's lack of regulatory authority over out-of-state pharmacies, "consumers have little or no protection or recourse should they be given the wrong prescription, faulty products, or

require drug counseling." However, opponents of the measure pointed out that the establishment of regulatory controls on out-of-state pharmacies would:

- (1) Place a competitive advantage in the marketplace to Hawaii's local retail pharmaceutical industry;
- (2) Limit the variety of pharmaceutical products available to the consuming public; and
- (3) Threaten the livelihood of out-of-state pharmacies based in Hawaii that have provided efficient and problem-free services to the public for decades.

In light of this, your Committee found that there was a need for additional information on the ramifications of any future regulatory controls on out-of-state pharmacies in Hawaii. Subsequently, your Committee held H.B. No. 3027 so that additional information on this issue may be collected for future consideration. This concurrent resolution will fulfill the Legislature's need for additional information by directing the Legislative Reference Bureau to conduct a feasibility study on the future establishment of regulatory controls on out-of-state pharmacies conducting operations in Hawaii.

Lastly, your Committee has been informed that the Board does not have any objections to this measure.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 403 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1273-92 Consumer Protection and Commerce on H.C.R. No. 66

The purpose of this concurrent resolution is to request the Legislative Auditor to assess the need for regulatory controls of financial exchange intermediaries in the State of Hawaii, and to submit a report of the findings and recommendations to the Seventeenth Legislature prior to the convening of the Regular Session of 1993.

Testimony was submitted by the Department of Commerce and Consumer Affairs and the Legislative Auditor.

Your Committee finds that a similar concurrent resolution was adopted by the House of Representatives during the Regular Session of 1991, but failed to gain approval by the Senate. As a result, a feasibility study regarding the need for regulatory controls on Hawaii's financial exchange intermediaries was never conducted by the Legislative Auditor.

It is your Committee's contention that because financial exchange intermediaries are entrusted with large sums of money, there may be a need for regulatory controls on these types of financial transactions to ensure the protection of the consuming public. S.B. 2415, passed by the Senate, and heard by your Committee, creates a licensing scheme, but many concerns were expressed at the hearing regarding the impact and effect of the bill. Therefore, your Committee finds that there is a need for additional information on this matter in order for the Legislature to fully understand the policy issues involved with the potential expansion of regulatory controls in this area before passing legislation. The feasibility study requested in this concurrent resolution would significantly enhance the Legislature's understanding of this subject, as well as ensure the financial well-being of the people of the State of Hawaii.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 66 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1274-92 Consumer Protection and Commerce on H.C.R. No. 12

The purpose of this concurrent resolution is to request the Auditor to determine whether State regulation should be expanded to condominium managing agents.

Your Committee received testimony on the concurrent resolution from the Legislative Auditor and the Hawaiiana Management Company, Ltd., and also received testimony in support of the concurrent resolution from the Hawaii Real Estate Commission.

The concurrent resolution proposes that the Legislative Auditor conduct a "sunrise" review of the condominium managing agents and study the feasibility of expanding the scope of regulation. Employees of the condominium managing agent and self-managed associations who provide the services and handle funds of the condominium associations are not required to have any license or be registered. However, they have tremendous responsibilities, as they handle large amounts of association funds, manage valuable real property, and have a significant role in decisions that affect the living environment of condominium owners.

Your Committee finds that in light of these extensive responsibilities, the need for regulation or licensing in the area of condominium management should be studied. However, as the Auditor testified, a "sunrise" review may not be appropriate. Accordingly, your Committee has deleted the references to section 26H-5, Hawaii Revised Statutes. Your Committee is informed that the Real Estate Commission is currently working on a model bill for review by the Auditor in connection with this study.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.C.R. No. 12, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 12, H.D. 1.

Signed by all members of the Committee.

SCRep. 1275-92 Judiciary and Consumer Protection and Commerce on H.R. No. 263

The purpose of this resolution is to request the Attorney General of the State of Hawaii to render an opinion as to whether the State or its agency can act as a master policy holder under existing law without exposing the State or its agency, as the case may be, to any liability because of its position.

The adoption of this resolution is a needed step in finalizing the determination of feasibility of mandatory errors and omissions insurance for the real estate industry.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors.

This resolution has been amended by deleting provisions requesting the Attorney General to submit proposed legislation, because any such action is properly a policy decision within the purview of the Legislature.

Your Committees on Judiciary and Consumer Protection and Commerce concur with the intent and purpose of H.R. No. 263, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 263, H.D. 1.

Signed by all members of the Committees.

SCRep. 1276-92 Judiciary and Consumer Protection and Commerce on H.C.R. No. 254

The purpose of this concurrent resolution is to request the Attorney General of the State of Hawaii to render an opinion as to whether the State or its agency can act as a master policy holder under existing law without exposing the State or its agency, as the case may be, to any liability because of its position.

The adoption of this concurrent resolution is a needed step in finalizing the determination of feasibility of mandatory errors and omissions insurance for the real estate industry.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors.

This concurrent resolution has been amended by deleting provisions requesting the Attorney General to submit proposed legislation, because any such action is properly a policy decision within the purview of the Legislature.

Your Committees on Judiciary and Consumer Protection and Commerce concur with the intent and purpose of H.C.R. No. 254, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 254, H.D. 1.

Signed by all members of the Committees.

SCRep. 1277-92 Agriculture and Transportation on H.C.R. No. 298

The purpose of this concurrent resolution is to request the Departments of Agriculture (DOA) and Transportation (DOT) to jointly study the feasibility of establishing an airport amnesty bin project at airports servicing incoming overseas flights. These bins, as used in New Zealand and Australia, would permit arriving passengers from overseas flights to discard, without penalty, any prohibited agricultural quarantine item that passengers may have unwittingly, or willfully, brought with them.

Representatives from the DOA, the DOT, and the National Audubon Society presented testimony in support of this concurrent resolution. The testimony indicated that:

- (1) Hawaii can no longer afford the introduction of noxious pest species which can often and do proliferate in Hawaii's tropical climate without their natural predators; and
- (2) It would be wise for Hawaii to augment its current quarantine inspection system for baggage, cargo, and mail by following the example of Australia and New Zealand, which curtails contraband (illegal, plant, animal, and microorganism) species transported by incoming overseas airline passengers in luggages, boxes, and carry-on bags by: (a) Posting warning signs at appropriate points with information about the dangers of illegal importations and the criminal penalties involved; and (b) Routing the disembarked passengers through an amnesty zone with bins where they can deposit contraband items.

Upon further consideration, your Committees have made the following amendments to this concurrent resolution:

- (1) Clarified that the DOA is the lead agency in this study since the DOT lacks the expertise in matters of animal and plant quarantine;
- (2) Included the Animal and Plant Health Inspection Service, Plant Protection and Quarantine of the United States Department of Agriculture to be a coordinative participant in this study since this agency is responsible for plant and animal quarantine inspection services on flights arriving from foreign countries; and
- (3) Included the Secretary of Agriculture among those to receive a certified copy of this concurrent resolution.

Your Committees on Agriculture and Transportation concur with the intent and purpose of H.C.R. No. 298, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 298, H.D. 1.

Signed by all members of the Committees.

SCRep. 1278-92 Agriculture and Intergovernmental Relations and International Affairs on H.R. No. 310

The purpose of this resolution, as received, is to request the Hawaii Congressional delegation to propose an amendment to exempt the transport of Hawaii agricultural products in vessels that are not built in and documented under the laws of the United States (U.S.) from the provisions of the Jones Act.

Representatives from the Governor's Agriculture Coordinating Committee (GACC), the 50th State Dairy Farmers, the Kilauea Agronomics, Inc., the Committee on Marketing for the Hawaii State Guava Association, and the Hawaii Cattle Producers Cooperative Association (HCPCA) presented testimony in favor of this resolution, citing the need to be competitive in their export markets by reducing shipping costs through use of foreign shipping vessels with favorable rate structures. Your Committee also received testimony from the Matson Navigation Company (MNCO) opposing this resolution, citing reasons that Hawaii has more to gain in terms of long-run dependency by preserving the Jones Act's requirement that only United States flagged vessels, crewed and owned by Americans, and built in the United States shipyards, may carry cargo between American ports.

Upon further consideration, your Committees felt that it would be better to explore the shipping cost reduction and containment possibilities and problems raised during the discussion before seeking the remedy as proposed in this resolution. Accordingly, your Committees have amended this resolution by:

- (1) Amending the above-referred title: "HOUSE RESOLUTION REQUESTING AN AMENDMENT TO EXEMPT THE TRANSPORT OF HAWAII AGRICULTURAL PRODUCTS FROM THE REQUIREMENTS OF THE JONES ACT" to read as follows: "HOUSE RESOLUTION REQUESTING THE GOVERNOR'S AGRICULTURE COORDINATING COMMITTEE TO STUDY AND DEVELOP A COST REDUCTION AND CONTAINMENT PLAN FOR SHIPMENT OF EXPORTABLE HAWAIIAN AGRICULTURAL PRODUCTS WITHIN THE CONSTRAINTS OF THE JONES ACT";
- (2) Changing the focus of the resolution from decrying the impediments that Hawaii's agriculture producers face because of the out-dated Jones Act, to highlighting the need to address the plight of these producers, specifically the transportation costs of the Hawaiian cattle industry; and
- (3) Deleting the original directive, and replacing it with a request for the GACC, in coordination with the HCPCA, the MNCO, the Hawaii Farm Bureau Federation, and other U.S. shipping companies operating in Hawaii to study and develop a cost reduction and containment plan for shipment of exportable Hawaiian agricultural products within the parameters of the Jones Act.

Your Committees on Agriculture and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 310, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 310, H.D. 1.

Signed by all members of the Committees.

SCRep. 1279-92 Agriculture and Intergovernmental Relations and International Affairs on H.C.R. No. 307

The purpose of this concurrent resolution, as received, is to request the Hawaii Congressional delegation to propose an amendment to exempt the transport of Hawaii agricultural products in vessels that are not built in and documented under the laws of the United States (U.S.) from the provisions of the Jones Act.

Representatives from the Governor's Agriculture Coordinating Committee (GACC), the 50th State Dairy Farmers, the Kilauea Agronomics, Inc., the Committee on Marketing for the Hawaii State Guava Association, and the Hawaii Cattle Producers Cooperative Association (HCPCA) presented testimony in favor of this concurrent resolution, citing the need to be competitive in their export markets by reducing shipping cost through use of foreign shipping vessels with favorable rate structures. Your Committee also received testimony from the Matson Navigation Company (MNCO) opposing this concurrent resolution, citing reasons that Hawaii has more to gain in terms of long-run dependency by preserving the Jones Act's requirement that only United States flagged vessels, crewed and owned by Americans, and built in the United States shipyards, may carry cargo between American ports.

Upon further consideration, your Committees felt that it would be better to explore the shipping cost reduction and containment possibilities and problems raised during the discussion before seeking the remedy as proposed in this concurrent resolution. Accordingly, your Committees have amended this concurrent resolution by:

- (1) Amending the above-referred title: "HOUSE CONCURRENT RESOLUTION REQUESTING AN AMENDMENT TO EXEMPT THE TRANSPORT OF HAWAII AGRICULTURAL PRODUCTS FROM THE REQUIREMENTS OF THE JONES ACT" to read as follows: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR'S AGRICULTURE COORDINATING COMMITTEE TO STUDY AND DEVELOP A COST REDUCTION AND CONTAINMENT PLAN FOR SHIPMENT OF EXPORTABLE HAWAIIAN AGRICULTURAL PRODUCTS WITHIN THE CONSTRAINTS OF THE JONES ACT";

- (2) Changing the focus of the concurrent resolution from decrying the impediments that Hawaii's agriculture producers face because of the out-dated Jones Act, to highlighting the need to address the plight of these producers, specifically the transportation costs of the Hawaiian cattle industry; and
- (3) Deleting the original directive, and replacing it with a request for the GACC, in coordination with the HCPA, the MNCO, the Hawaii Farm Bureau Federation, and other U.S. shipping companies operating in Hawaii to study and develop a cost reduction and containment plan for shipment of exportable Hawaiian agricultural products within the parameters of the Jones Act.

Your Committees on Agriculture and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 307, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 307, H.D. 1.

Signed by all members of the Committees.

SCRep. 1280-92 Agriculture on H.R. No. 259

The purpose of this resolution is to request the Department of Agriculture (DOA) to review its plant quarantine system, from both the developmental and environmental perspectives, and develop a long-term action plan to prevent the introduction of new weedy plants and insect pests through the plant importation process.

Representatives from the DOA, the Department of Land and Natural Resources (DLNR), the Sierra Club (Hawaii Chapter), the National Audubon Society (NAS), the Conservation Council for Hawaii (CCH), and the National Resources Defense Council (NRDC) provided testimony in support of this resolution, citing the need for a long-term action plan to deal with the importation process and prevent further invasion of our islands by new weedy plants and insect pests. In addition, the DOA expressed concerns on the difficulty in identifying certain items outlined in the resolution, and that the requirements would hinder the successful completion of the proposed action plan. The NRDC also recommended that the resolution should recognize and acknowledge on-going related projects, urge their completion, and request feedback rather than additional input to avoid duplicative efforts.

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

- (1) Added the term "pathogens" as an additional unwanted pest that could be introduced through the plant importation process;
- (2) Identified and acknowledged related projects (past and on-going) on this plant quarantine issue that could also be integrated or used in the preparation of the action plan (to avoid duplication of efforts);
- (3) Included a list of agencies or organizations to assist the DOA with the review of its plant quarantine system, and clarified that the action plan should be developed considering the five revised listed items;
- (4) Deleted the directive for the Board of Agriculture and the Board of Land and Natural Resources to form an action plan committee with specifically listed advisory groups;
- (5) Clarified that the DOA is requested to submit a progress report on development of the action plan and the prohibited and restricted plant lists instead of the completed plan and lists;
- (6) Deleted the United States Secretary of Agriculture from the list of officials to receive a certified copy of the resolution and added the following: The Director of Science and Stewardship of the Nature Conservancy of Hawaii, the Hawaii representatives of the Natural Resources Defense Council and the National Audubon Society, the Director of the Bishop Museum, and the Presidents of the Conservation Council of Hawaii, the Hawaii Association of Nurserymen, and the Hawaii Farm Bureau Federation; and
- (7) Made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 259, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 259, H.D. 1.

Signed by all members of the Committee except Representative Bellinger.

SCRep. 1281-92 Agriculture on H.C.R. No. 297

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to review its plant quarantine system, from both the developmental and environmental perspectives, and develop a long-term action plan to prevent the introduction of new weedy plants and insect pests through the plant importation process.

Representatives from the DOA, the Department of Land and Natural Resources (DLNR), the Sierra Club (Hawaii Chapter), the National Audubon Society (NAS), the Conservation Council for Hawaii (CCH), and the National Resources Defense Council (NRDC) provided testimony in support of this concurrent resolution, citing the need for a long-term action plan to deal with the importation process and prevent further invasion of our islands by new weedy plants and insect pests. In addition, the DOA expressed concerns on the difficulty in identifying certain items outlined in the resolution, and that the requirements would hinder the successful completion of the proposed action plan. The NRDC also recommended that the resolution should recognize and acknowledge on-going related projects, urge their completion, and request feedback rather than additional input to avoid duplicative efforts.

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

- (1) Added the term "pathogens" as an additional unwanted pest that could be introduced through the plant importation process;
- (2) Identified and acknowledged related projects (past and on-going) on this plant quarantine issue that could also be integrated or used in the preparation of the action plan (to avoid duplication of efforts);
- (3) Included a list of agencies or organizations to assist the DOA with the review of its plant quarantine system, and clarified that the action plan should be developed considering the five revised listed items;
- (4) Deleted the directive for the Board of Agriculture and the Board of Land and Natural Resources to form an action plan committee with specifically listed advisory groups;
- (5) Clarified that the DOA is requested to submit a progress report on development of the action plan and the prohibited and restricted plant lists instead of the completed plan and lists;
- (6) Deleted the United States Secretary of Agriculture from the list of officials to receive a certified copy of the concurrent resolution and added the following: The Director of Science and Stewardship of the Nature Conservancy of Hawaii, the Hawaii representatives of the Natural Resources Defense Council and the National Audubon Society, the Director of the Bishop Museum, and the Presidents of the Conservation Council of Hawaii, the Hawaii Association of Nurserymen, and the Hawaii Farm Bureau Federation; and
- (7) Made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 297, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 297, H.D. 1.

Signed by all members of the Committee except Representative Bellinger.

SCRep. 1282-92 Agriculture on H.R. No. 260

The purpose of this resolution is to commend the County of Hawaii for initiating a strategic development plan for diversified agriculture on the Big Island.

The Office of State Planning submitted testimony in support of this resolution, citing the need for a fully articulated plan for diversified agriculture to ensure the health and stability of the County of Hawaii's agricultural base.

With the ever increasing pressure for urbanization and use of agricultural lands for other economic interests, your Committee recognizes the need for the development of a strategic plan and feels that the County of Hawaii merits this legislative body's encouragement and support.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 260 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1283-92 Transportation on H.R. No. 137

The purpose of this resolution, as received, is to request the Legislative Reference Bureau to conduct an investigation regarding recent ocean use conflicts between tug vessels and recreational boaters.

Your Committee finds that, in recent years, the number of ocean use conflicts between tug vessels and recreational boats have increased. Your Committee also finds that many of these conflicts are the result of a lack of knowledge regarding navigational rules of the road and the maneuvering capabilities of each vessel. Educational programs for vessel operators regarding the navigational rules of the road and the need to install passive radar reflection devices will help to alleviate these ocean use conflicts.

Testimony was received from the Department of Transportation, the Hawaiian Tug and Barge Corporation, and the Chamber of Commerce of Hawaii.

Your Committee has amended this resolution to urge the Department of Transportation, in conjunction with the United States Coast Guard, to establish a program to alleviate incidents of ocean use conflicts between tug and barge vessels and recreational boaters. The title of this resolution has been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 137, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 137, H.D. 1.

Signed by all members of the Committee.

SCRep. 1284-92 Transportation on H.C.R. No. 128

The purpose of this Concurrent Resolution, as received, is to request the Legislative Reference Bureau to conduct an investigation regarding recent ocean use conflicts between tug vessels and recreational boaters.

Your Committee finds that, in recent years, the number of ocean use conflicts between tug vessels and recreational boats have increased. Your Committee also finds that many of these conflicts are the result of a lack of knowledge regarding navigational rules of the road and the maneuvering capabilities of each vessel. Educational programs for vessel operators regarding the navigational rules of the road and the need to install passive radar reflection devices will help to alleviate these ocean use conflicts.

Testimony was received from the Department of Transportation, the Hawaiian Tug and Barge Corporation, and the Chamber of Commerce of Hawaii.

Your Committee has amended this Concurrent Resolution to urge the Department of Transportation, in conjunction with the United States Coast Guard, to establish a program to alleviate incidents of ocean use conflicts between tug and barge vessels and recreational boaters. The title of this Concurrent Resolution has been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 128, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 128, H.D. 1.

Signed by all members of the Committee.

SCRep. 1285-92 Transportation on H.R. No. 136

The purpose of this Resolution is to request the Legislative Reference Bureau to study the feasibility of modifying State parking control policies to enhance the formulation of ridesharing arrangements between State and non-State employees.

Your Committee finds that the present State parking program severely restricts carpooling and ridesharing between State, City, federal, and private sector employees by allowing only a particular vehicle to park in designated employee stalls. Your Committee also finds that a parking permit system whereby the parking pass indicating the lot and stall number is hung on the rear view mirror of the vehicle may be effective in encouraging carpooling. This practice would enable State employees to carpool with non-State employees so that the State employee would not have to drive his or her vehicle everyday. Your Committee further finds that even if the State employee could find only one other carpooler, ridesharing would significantly reduce the number of vehicles on the highway during peak traffic hours. In addition, if carpooling is encouraged among State employees who presently utilize State parking stalls, additional stalls will become available for other State employees.

Your Committee amended this Resolution by incorporating various non-substantive amendments.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 136, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 136, H.D. 1.

Signed by all members of the Committee.

SCRep. 1286-92 Transportation on H.C.R. No. 127

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study the feasibility of modifying State parking control policies to enhance the formulation of ridesharing arrangements between State and non-State employees.

Your Committee finds that the present State parking program severely restricts carpooling and ridesharing between State, City, federal, and private sector employees by allowing only a particular vehicle to park in designated employee stalls. Your Committee also finds that a parking permit system whereby the parking pass indicating the lot and stall number is hung on the rear view mirror of the vehicle may be effective in encouraging carpooling. This practice would enable State employees to carpool with non-State employees so that the State employee would not have to drive his or her vehicle everyday. Your Committee further finds that even if the State employee could find only one other carpooler, ridesharing would significantly reduce the number of vehicles on the highway during peak traffic hours. In addition, if carpooling is encouraged among State employees who presently utilize State parking stalls, additional stalls will become available for other State employees.

Your Committee amended this Concurrent Resolution by incorporating various non-substantive amendments.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 127, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 127, H.D. 1.

Signed by all members of the Committee.

SCRep. 1287-92 Transportation on H.R. No. 27

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of excluding from the taxable income of each individual taxpayer reimbursements received from an employer for an employer-subsidized benefit to promote ridesharing.

Your Committee finds that ridesharing arrangements and the development, promotion, and coordination of ridesharing programs are attractive alternatives in relieving traffic congestion. Your Committee also finds that the economic impact of offering tax incentives to encourage ridesharing is a viable means to lure individuals away from single-occupant motor vehicles. Your Committee further finds that evidence across the country demonstrates that strong involvement on the part of the employer is necessary to convert a driver who commutes to work alone into a bus rider or carpooler.

Testimony was received by your Committee from the Department of Transportation, the Leeward Oahu Transportation Management Association (LOTMA), the Committee on Sensible Transit (COST), and the Waikiki Improvement Association.

Your Committee has amended this Resolution by requesting the Legislative Research Bureau to also study the feasibility of providing tax incentives to employers who offer incentives or subsidies for employee ridesharing programs.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 27, H.D. 1.

Signed by all members of the Committee.

SCRep. 1288-92 Transportation on H.C.R. No. 25

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the feasibility of excluding from the taxable income of each individual taxpayer reimbursements received from an employer for an employer-subsidized benefit to promote ridesharing.

Your Committee finds that ridesharing arrangements and the development, promotion, and coordination of ridesharing programs are attractive alternatives in relieving traffic congestion. Your Committee also finds that the economic impact of offering tax incentives to encourage ridesharing is a viable means to lure individuals away from single-occupant motor vehicles. Your Committee further finds that evidence across the country demonstrates that strong involvement on the part of the employer is necessary to convert a driver who commutes to work alone into a bus rider or carpooler.

Testimony was received by your Committee from the Department of Transportation, the Leeward Oahu Transportation Management Association (LOTMA), the Committee on Sensible Transit (COST), and the Waikiki Improvement Association.

Your Committee has amended this Concurrent Resolution by requesting the Legislative Research Bureau to also study the feasibility of providing tax incentives to employers who offer incentives or subsidies for employee ridesharing programs.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 25, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 25, H.D. 1.

Signed by all members of the Committee.

SCRep. 1289-92 Transportation on H.R. No. 112

The purpose of this Resolution is to request the Department of Transportation to develop alternatives to eliminate traffic congestion on Waikui and Waieli Streets.

Your Committee finds that a traffic "jughandle" has been utilized along the residential areas of Waikui Street to allow eastbound motorists on Kalaniana'ole Highway the opportunity to turn left in the vicinity of Kalani High School. This "detour" has caused an extreme hardship on this neighborhood by diverting heavy traffic flow which would not otherwise travel through this area.

Your Committee also finds that this detour equates an undue burden on the residents of this area who are entitled to keep their community free of rush-hour traffic, noise, congestion, and pollution in this otherwise peaceful neighborhood. It is also unfair to utilize this street as a permanent detour route for vehicles travelling along Kalaniana'ole Highway.

Testimony was received from the Department of Transportation, the Wai'aleae Golf Course Association, and other concerned residents.

Your Committee has amended this Resolution to request that the Department of Transportation, in conjunction with the City and County of Honolulu, implement alternatives to eliminate traffic congestion on Waikui and Waieli Streets. The title of this Resolution has been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 112, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 112, H.D. 1.

Signed by all members of the Committee.

SCRep. 1290-92 Transportation on H.C.R. No. 105

The purpose of this Concurrent Resolution is to request the Department of Transportation to develop alternatives to eliminate traffic congestion on Waikui and Waieli Streets.

Your Committee finds that a traffic "jughandle" has been utilized along the residential areas of Waikui Street to allow eastbound motorists on Kalanianaʻole Highway the opportunity to turn left in the vicinity of Kalani High School. This "detour" has caused an extreme hardship on this neighborhood by diverting heavy traffic flow which would not otherwise travel through this area.

Your Committee also finds that this detour equates an undue burden on the residents of this area who are entitled to keep their community free of rush-hour traffic, noise, congestion, and pollution in this otherwise peaceful neighborhood. It is also unfair to utilize this street as a permanent detour route for vehicles travelling along Kalanianaʻole Highway.

Testimony was received from the Department of Transportation, the Waialae Golf Course Association, and other concerned residents.

Your Committee has amended this Concurrent Resolution to request that the Department of Transportation, in conjunction with the City and County of Honolulu, implement alternatives to eliminate traffic congestion on Waikui and Waieli Streets. The title of this Concurrent Resolution has been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 105, H.D. 1.

Signed by all members of the Committee.

SCRep. 1291-92 Transportation on H.R. No. 210

The purpose of this House resolution is to voice opposition to the State Department of Transportation's plan to impose a \$3.00 passenger facility charge (PFC) on all enplaning Honolulu International Airport passengers, both interisland and overseas. The resolution also requests the Department to redefine their airport capital improvement projects so revenue from PFC's will not be necessary and to report to the 1993 Legislature.

Testimony was submitted by the State Department of Transportation.

The only practical means of interisland travel is by air. Your Committee on Transportation views the PFC as a regressive and unfair burden especially on frequent interisland travelers and those who must travel between the neighbor islands and Oahu for needed medical and other services. Additionally, Hawaii is a State that depends on much of its revenue from tourist travelers. For tourists, the PFC will be a visible reinforcement of the belief that vacationing in Hawaii is expensive. Even a small increase in travel fares to Hawaii and within the State could negatively impact tourism.

Although imposition of the \$3.00 PFC would add to the Department of Transportation Airports Division revenue stream, your Committee believes that other traditional revenue sources should be sufficient to provide for airport operations and construction. Your Committee also believes that, if necessary, there are projects that could be delayed thus making the imposition of the PFC unnecessary.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 210 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1292-92 Transportation on H.C.R. No. 199

The purpose of this concurrent resolution is to voice opposition to the State Department of Transportation's plan to impose a \$3.00 passenger facility charge (PFC) on all enplaning Honolulu International Airport passengers, both interisland and overseas. The concurrent resolution also requests the Department to redefine their airport capital improvement projects so revenue from PFC's will not be necessary and to report to the 1993 Legislature.

Testimony was submitted by the State Department of Transportation.

The only practical means of interisland travel is by air. Your Committee on Transportation views the PFC as a regressive and unfair burden especially on frequent interisland travelers and those who must travel between the neighbor islands and Oahu for needed medical and other services. Additionally, Hawaii is a State that depends on much of its revenue from tourist travelers. For tourists, the PFC will be a visible reinforcement of the belief that vacationing in Hawaii is expensive. Even a small increase in travel fares to Hawaii and within the State could negatively impact tourism.

Although imposition of the \$3.00 PFC would add to the Department of Transportation Airports Division revenue stream, your Committee believes that other traditional revenue sources should be sufficient to provide for airport operations and construction. Your Committee also believes that, if necessary, there are projects that could be delayed thus making the imposition of the PFC unnecessary.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 199 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1293-92 Transportation on H.R. No. 162

The purpose of this resolution is to request the Department of Transportation to study the feasibility of constructing a vehicular tunnel under Pearl Harbor to link the Secondary Urban Center with the Primary Urban Center.

Your Committee finds that traffic conditions are expected to become progressively worse for Oahu residents due to the rapid development of the Secondary Urban Center in the Ewa Plains area and the immediate surrounding districts. The majority of the population from this area continues to make the long trek to Honolulu, and unfortunately, the highways and roads that service these areas cannot be expanded to adequately handle the increase in traffic.

Because it is not feasible to place more stress on already scarce land resources and build more highways, it is imperative for the State to look for other innovative solutions for current and future traffic problems. Your Committee finds that the construction of a vehicular tunnel under Pearl Harbor to link the Secondary Urban Center with the Primary Urban Center would allow commuters to bypass overcrowded land highways and relieve much of the traffic congestion.

Testimony was received from the Department of Transportation, the Oahu Metropolitan Planning Organization, and the Leeward Oahu Transportation Management Association.

Your Committee has amended this resolution to:

- 1) Request that the Oahu Metropolitan Planning Organization study the feasibility of constructing the vehicular tunnel under Pearl Harbor;
- 2) Specify provisions for the study; and
- 3) Provide that the Oahu Metropolitan Planning Organization request a review of this project by the United States Department of Navy.

The title of this resolution has also been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 162, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 162, H.D. 1.

Signed by all members of the Committee.

SCRep. 1294-92 Transportation on H.C.R. No. 151

The purpose of this concurrent resolution is to request the Department of Transportation to study the feasibility of constructing a vehicular tunnel under Pearl Harbor to link the Secondary Urban Center with the Primary Urban Center.

Your Committee finds that traffic conditions are expected to become progressively worse for Oahu residents due to the rapid development of the Secondary Urban Center in the Ewa Plains area and the immediate surrounding districts. The majority of the population from this area continues to make the long trek to Honolulu, and unfortunately, the highways and roads that service these areas cannot be expanded to adequately handle the increase in traffic.

Because it is not feasible to place more stress on already scarce land resources and build more highways, it is imperative for the State to look for other innovative solutions for current and future traffic problems. Your Committee finds that the construction of a vehicular tunnel under Pearl Harbor to link the Secondary Urban Center with the Primary Urban Center would allow commuters to bypass overcrowded land highways and relieve much of the traffic congestion.

Testimony was received from the Department of Transportation, the Oahu Metropolitan Planning Organization, and the Leeward Oahu Transportation Management Association.

Your Committee has amended this concurrent resolution to:

- 1) Request that the Oahu Metropolitan Planning Organization study the feasibility of constructing the vehicular tunnel under Pearl Harbor;
- 2) Specify provisions for the study; and
- 3) Provide that the Oahu Metropolitan Planning Organization request a review of this project by the United States Department of Navy.

The title of this concurrent resolution has also been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 151, H.D. 1.

Signed by all members of the Committee.

SCRep. 1295-92 Transportation and Intergovernmental Relations and International Affairs on H.R. No. 150

The purpose of this resolution is to request the Department of Transportation, in conjunction with the United States Customs Service and the County of Hawaii, to study the feasibility of establishing a full-time customs facility at Hilo International Airport.

Your Committees find that the increasing number of foreign arrivals into Honolulu International Airport has precipitated customs processing to become time-consuming for Hawaii's visitors. One possible method of increasing the number of visitors to the State of Hawaii, as well as reducing the congestion at Honolulu International Airport, is to establish a full-time customs facility at Hilo International Airport.

Testimony was received from the Department of Transportation and the Office of the Mayor, County of Hawaii.

The Department of Transportation, in conjunction with the Department of Business, Economic Development, and Tourism (DBEDT), is in the process of developing a strategic plan to bring charter air service to Hilo International Airport. Your Committees have amended this resolution to provide that the feasibility of establishing a full-time customs facility at Hilo International Airport be undertaken in conjunction with or in addition to this strategic plan.

Your Committees on Transportation and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 150, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 150, H.D. 1.

Signed by all members of the Committees.

SCRep. 1296-92 Transportation and Intergovernmental Relations and International Affairs on H.C.R. No. 139

The purpose of this concurrent resolution is to request the Department of Transportation, in conjunction with the United States Customs Service and the County of Hawaii, to study the feasibility of establishing a full-time customs facility at Hilo International Airport.

Your Committees find that the increasing number of foreign arrivals into Honolulu International Airport has precipitated customs processing to become time-consuming for Hawaii's visitors. One possible method of increasing the number of visitors to the State of Hawaii, as well as reducing the congestion at Honolulu International Airport, is to establish a full-time customs facility at Hilo International Airport.

Testimony was received from the Department of Transportation and the Office of the Mayor, County of Hawaii.

The Department of Transportation, in conjunction with the Department of Business, Economic Development, and Tourism (DBEDT), is in the process of developing a strategic plan to bring charter air service to Hilo International Airport. Your Committees have amended this concurrent resolution to provide that the feasibility of establishing a full-time customs facility at Hilo International Airport be undertaken in conjunction with or in addition to this strategic plan.

Your Committees on Transportation and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 139, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 139, H.D. 1.

Signed by all members of the Committees.

SCRep. 1297-92 Planning and Economic Development on H.C.R. No. 253

The purpose of this concurrent resolution is to request the Legislative Auditor to carry out a financial and management audit of Hawaii Information Network Corporation.

Hawaii Information Network Corporation testified they have no objection to the concurrent resolution.

Your Committee finds (1) that the audit should be carried out by an auditing firm knowledgeable in the field of telecommunications and telecommunications marketing and (2) that the Legislative Auditor should be requested to provide recommendations, including proposed statutory amendments, to the Legislature. The concurrent resolution has been amended to request the Legislative Auditor to hire as a consultant a firm knowledgeable in telecommunications and telecommunications marketing, and to include any proposed statutory amendments in its recommendations.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.C.R. No. 253, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 253, H.D. 1.

Signed by all members of the Committee.

SCRep. 1298-92 Planning and Economic Development on H.R. No. 207

The purpose of this resolution is to request the Department of Accounting and General Services to perform a comprehensive study of factors driving up the cost of public contracts in Hawaii.

The Department of Accounting and General Services testified against the resolution, citing a lack of resources to carry out the study.

Your Committee finds it appropriate for the Legislative Reference Bureau to carry out the study and has amended the resolution to request the Legislative Reference Bureau to work with the Department of Accounting and General Services and other departments to carry out the study.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.R. No. 207, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 207, H.D. 1.

Signed by all members of the Committee.

SCRep. 1299-92 Planning and Economic Development on H.C.R. No. 196

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to perform a comprehensive study of factors driving up the cost of public contracts in Hawaii.

The Department of Accounting and General Services testified against the concurrent resolution, citing a lack of resources to carry out the study.

Your Committee finds it appropriate for the Legislative Reference Bureau to carry out the study and has amended the concurrent resolution to request the Legislative Reference Bureau to work with the Department of Accounting and General Services and other departments to carry out the study.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.C.R. No. 196, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 196, H.D. 1.

Signed by all members of the Committee.

SCRep. 1300-92 Planning and Economic Development on H.R. No. 208

The purpose of this resolution is to request the Governor to appoint a task force to identify State activities which can be privatized and to estimate the savings which would result from privatization.

The State Director of the National Federation of Independent Business testified in support of the resolution.

Your Committee finds it appropriate for the Governor's Small Business Advisory Committee to be represented on the task force and has amended the resolution to provide that the task force include at least one member of the Governor's Small Business Advisory Committee. Your Committee has also made a nonsubstantive amendment for the purpose of clarity.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.R. No. 208, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 208, H.D. 1.

Signed by all members of the Committee.

SCRep. 1301-92 Planning and Economic Development on H.C.R. No. 197

The purpose of this concurrent resolution is to request the Governor to appoint a task force to identify State activities which can be privatized and to estimate the savings which would result from privatization.

The State Director of the National Federation of Independent Business testified in support of the concurrent resolution.

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Your Committee finds it appropriate for the Governor's Small Business Advisory Committee to be represented on the task force and has amended the concurrent resolution to provide that the task force include at least one member of the Governor's Small Business Advisory Committee. Your Committee has also made a nonsubstantive amendment for the purpose of clarity.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.C.R. No. 197, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 197, H.D. 1.

Signed by all members of the Committee.

SCRep. 1302-92 Transportation on H.R. No. 377

The purpose of this resolution is to request a study on the effect of cellular phone use upon vehicle control and driver attention in Hawaii.

Cellular phone use while driving may pose a potential threat to the safety and welfare of the driver and passengers as well as others on the road, by adversely affecting the perceptual responses of the driver and interfering with vehicle control.

Your Committee finds that presently there are no statistics readily available regarding the extent to which cellular phone usage by drivers has contributed to traffic and pedestrian accidents in Hawaii.

Testimony was received from the Department of Transportation, the University of Hawaii, the Honolulu Police Department, the Hawaii Insurers Council, and GTE Mobile Communications.

Your Committee has made a technical, non-substantive amendment to this resolution.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 377, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 377, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1303-92 Transportation on H.C.R. No. 377

The purpose of this concurrent resolution is to request a study on the effect of cellular phone use upon vehicle control and driver attention in Hawaii.

Cellular phone use while driving may pose a potential threat to the safety and welfare of the driver and passengers as well as others on the road, by adversely affecting the perceptual responses of the driver and interfering with vehicle control.

Your Committee finds that presently there are no statistics readily available regarding the extent to which cellular phone usage by drivers has contributed to traffic and pedestrian accidents in Hawaii.

Testimony was received from the Department of Transportation, the University of Hawaii, the Honolulu Police Department, the Hawaii Insurers Council, and GTE Mobile Communications.

Your Committee has made a technical, non-substantive amendment to this concurrent resolution.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 377, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 377, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1304-92 Transportation on H.R. No. 186

The purpose of this resolution, as received, is to request the Department of Transportation to determine the need and feasibility of converting high occupancy vehicle lanes along the H-1 freeway between Halawa and Waiawa into shoulder lanes during non-peak traffic hours.

In order to ease the traffic congestion, the left shoulder lane on Interstate H-1 between the Halawa and Waiawa Interchanges has been converted into a high occupancy vehicle (HOV) lane. Your Committee finds that numerous accidents have occurred along this corridor during non-peak hours involving a vehicle stalled in this HOV lane.

Your Committee has amended the intent and title of this resolution to request that the Department of Transportation implement measures to enhance highway safety during non-peak hours in HOV lanes on Interstate H-1 between the Waiawa and Halawa Interchanges. Your Committee has further amended this resolution to request:

- (1) A cost estimate and an assessment of the feasibility of converting the specified HOV lanes into a highway shoulder during non-peak hours;
- (2) The development of a motorist educational program on the proper safety procedures in the event of vehicular stalls; and
- (3) Proper signage and visual highway safety enhancements.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 186, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 186, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1305-92 Transportation on H.C.R. No. 174

The purpose of this concurrent resolution, as received, is to request the Department of Transportation to determine the need and feasibility of converting high occupancy vehicle lanes along the H-1 freeway between Halawa and Waiawa into shoulder lanes during non-peak traffic hours.

In order to ease the traffic congestion, the left shoulder lane on Interstate H-1 between the Halawa and Waiawa Interchanges has been converted into a high occupancy vehicle (HOV) lane. Your Committee finds that numerous accidents have occurred along this corridor during non-peak hours involving a vehicle stalled in this HOV lane.

Your Committee has amended the intent and title of this concurrent resolution to request that the Department of Transportation implement measures to enhance highway safety during non-peak hours in HOV lanes on Interstate H-1 between the Waiawa and Halawa Interchanges. Your Committee has further amended this concurrent resolution to request:

- (1) A cost estimate and an assessment of the feasibility of converting the specified HOV lanes into a highway shoulder during non-peak hours;
- (2) The development of a motorist educational program on the proper safety procedures in the event of vehicular stalls; and
- (3) Proper signage and visual highway safety enhancements.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 174, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 174, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1306-92 Transportation on H.R. No. 430

The purpose of this resolution is to request the Department of Transportation to report on the status of vehicle noise abatement procedures, laws, and regulations in Hawaii.

Your Committee finds that urban noise is an unwanted, bothersome, and sometimes physically harmful intrusion during the late evening and night hours, especially in densely populated residential areas. Your Committee also finds that motor vehicles, especially when operated without an adequate muffling system intact, are one of the loudest and most disturbing noise producers.

Testimony was received from the Department of Transportation, the Department of Health, and two concerned citizens.

Upon further consideration, your Committee has amended this resolution to designate the Department of Health as the lead agency to conduct the study and submit the report. The title of this resolution has been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 430, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 430, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1307-92 Transportation on H.C.R. No. 429

The purpose of this concurrent resolution is to request the Department of Transportation to report on the status of vehicle noise abatement procedures, laws, and regulations in Hawaii.

Your Committee finds that urban noise is an unwanted, bothersome, and sometimes physically harmful intrusion during the late evening and night hours, especially in densely populated residential areas. Your Committee also finds that motor vehicles, especially when operated without an adequate muffling system intact, are one of the loudest and most disturbing noise producers.

Testimony was received from the Department of Transportation, the Department of Health, and two concerned citizens.

Upon further consideration, your Committee has amended this concurrent resolution to designate the Department of Health as the lead agency to conduct the study and submit the report. The title of this concurrent resolution has been amended accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 429, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 429, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1308-92 Finance on H.C.R. No. 461

The purpose of this concurrent resolution is to request the Legislative Auditor to study the feasibility of replacing the purchase and maintenance of government-owned passenger motor vehicles with a mileage reimbursement system of privately-owned vehicles in government service.

This measure provides that the study should include:

- (1) Annual data from 1988 to 1992 on the number of State passenger motor vehicle purchases, their purchase costs, and maintenance costs under the current system of government-owned vehicles;
- (2) Projected annual costs over the next five years under the current system in terms of purchase costs and maintenance costs;
- (3) Projected annual number over the next five years of privately-owned passenger motor vehicles adequate for State use and availability;
- (4) Projected annual costs over the next five years of a mileage reimbursement system of privately-owned passenger vehicles for government use, based on an adequate supply of such vehicles;
- (5) Personal incentives and legal issues involved in receiving and maintaining an adequate supply of privately-owned vehicles for State use;
- (6) Permissible uses and exceptions of privately-owned vehicles for State use; and
- (7) Feasibility of county participation in a reimbursement program.

The Legislative Auditor is also requested to submit its findings and recommendations to the Legislature twenty days prior to the convening of the 1992 regular session.

Testimony was received by the Department of Accounting and General Services.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 461 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1309-92 Finance on H.C.R. No. 73

The purpose of this concurrent resolution is to request that the Legislative Auditor review the State tax system by assessing the fiscal ramifications of utilizing tax expenditures in lieu of direct appropriations on Hawaii's economy.

This concurrent resolution further provides that the Legislative Auditor report its findings and recommendations to the Legislature at least 20 days prior to the convening of the Regular Session of 1992, and specifies that the report shall include:

- (1) A schedule of all tax deductions, tax exclusions, and tax credits issued by the State;
- (2) An estimate of the projected aggregate State revenues lost via tax expenditures for fiscal year 1991-92;
- (3) A comparison of State revenues lost through direct appropriations and tax expenditures for fiscal year 1991-92; and
- (4) A determination of the projected fiscal ramifications of all tax expenditures issued or proposed during the Regular Session of 1991.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 73 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1310-92 Finance on H.C.R. No. 72

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study to address the fiscal relationship between Hawaii's legislative and executive branches.

The concurrent resolution also requests the Legislative Auditor to submit a report of its findings and recommendations to the Legislature at least twenty days prior to the convening of the Regular Session of 1993 and specifies that the report shall include:

- (1) An assessment of current balances of power with respect to executive-legislative fiscal relations; and
- (2) An analysis of the allotment system, which provides the executive branch with the discretion to determine spending levels after appropriations are made; and
- (3) Any other specific forms of fiscal flexibility proposed by the executive branch as provisions in the general appropriations bills.

Upon further consideration of the testimony presented by the Department of Budget and Finance, your Committee agrees that the study should be comprehensive as to address the budget system as a whole, encompassing the preparation of the Executive Budget, the authorizations by the Legislature, and implementation by the Executive Branch.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 72 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1311-92 Finance on H.C.R. No. 187

The purpose of this concurrent resolution is to request the Legislative Auditor to study the feasibility of decentralizing the capital improvement project (CIP) implementation functions currently performed by the Department of Accounting and General Services (DAGS) to individual departments.

This measure provides that the study shall include:

- (1) An identification of problems that adversely affect the orderly and timely completion of projects by DAGS;
- (2) A determination of the degree to which decentralizing the CIP implementation functions would help resolve these problems;
- (3) A determination of which components of the CIP functions could be logically transferred to individual departments; and
- (4) A determination of the financial implication to the State if phases of the CIP implementation functions were transferred to individual departments and a cost-benefit analysis of such an action.

Further provides that the Legislative Auditor submit a report of its findings and recommendations at least twenty days prior to the convening of the Regular Session of 1993.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 187 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1312-92 Intergovernmental Relations and International Affairs on H.C.R. No. 226

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the permanent establishment of the State satellite office program.

The existing pilot program of six State satellite offices has handled more than 40,000 transactions for Hawaii's citizens, and business in the last few months has increased at a rate of about 15 to 20 percent per month.

Your Committee finds that feedback from the public with regard to the satellite office program has been highly favorable. At the same time, State agencies are also requesting that the satellite offices take on more departmental functions to increase public accessibility.

Testimony in support of this measure was submitted by the Governor's Office of Information.

Your Committee has amended this measure by:

- (1) Providing that the requested study examine the scope and available services of the pilot program and recommend ways to increase the effectiveness of the program;
- (2) Providing that the requested study determine the feasibility of establishing joint State/City and County satellite offices; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.C.R. No. 226, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 226, H.D. 1.

Signed by all members of the Committee.

SCRep. 1313-92 Intergovernmental Relations and International Affairs on H.C.R. No. 301

The purpose of this concurrent resolution is to support the Territory of Guam in its quest for commonwealth status with the United States and to encourage the United States Government to allow the people of the Territory of Guam to determine their own political, economic, and social futures.

The sponsor of this concurrent resolution testified in favor of the measure, citing a similar resolution passed by the 1991 Annual Meeting of the Western Legislative Conference.

Your Committee on Intergovernmental Relations and International Affairs concurs with the intent and purpose of H.C.R. No. 301 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1314-92 Health and Human Services on H.R. No. 397

The purpose of this resolution is to urge the Department of Human Services, Health Care Administration Division to designate "sub-acute" levels of care at long term care nursing facilities.

Your Committees received testimony in support of the resolution from the Department of Human Services, Hawaii Long Term Care Association, St. Francis Medical Center, and The Convalescent Center of Honolulu.

Your Committees support the belief that this is a positive step toward cost-effective, high quality care for many patients who can now only be cared for in acute hospitals.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 397 and recommend its adoption.

Signed by all members of the Committees except Representatives Amaral, M. Ige and Peters.

SCRep. 1315-92 Health and Human Services on H.C.R. No. 396

The purpose of this concurrent resolution is to urge the Department of Human Services, Health Care Administration Division to designate "sub-acute" levels of care at long term care nursing facilities.

Your Committees received testimony in support of the concurrent resolution from the Department of Human Services, Hawaii Long Term Care Association, St. Francis Medical Center, and The Convalescent Center of Honolulu.

Your Committees support the belief that this is a positive step toward cost-effective, high quality care for many patients who can now only be cared for in acute hospitals.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 396 and recommend its adoption.

Signed by all members of the Committees except Representatives Amaral, M. Ige and Peters.

SCRep. 1316-92 Health and Human Services on H.R. No. 331

The purpose of this resolution as received is to request the Department of Health to establish a task force to conduct an assessment of the needs of the medically fragile/technology dependent and to review the service delivery system. The resolution delineates a comprehensive review of the needs and services available to medically fragile/technology dependent children and their families.

Your Committees received testimony in support of the resolution from the Department of Human Services, State Planning Council on Developmental Disabilities, Kapiolani Medical Center for Women and Children, and Personnel Pool of Hawaii, Inc.

Your Committees have adopted the recommendations submitted by the State Planning Council on Developmental Disabilities and Kapiolani Medical Center for Women and Children and have amended the resolution as follows:

- (1) The Kapiolani Medical Center for Women and Children has replaced the Department of Health in the leadership role.
- (2) The Task Force, to be established by the Kapiolani Medical Center for Women and Children, shall conduct the review of the needs and services available to children who are medically fragile/technology dependent and their families.
- (3) Task Force review and recommendations are not to be limited to that which is enumerated in this resolution.
- (4) Language on page 2, number 2, referring to "the study and follow up recommendations;" has been deleted and replaced with "programs and services provided to children who are medically fragile/technology dependent."
- (5) Language on page 2, number 3, "reduce the number of professionally trained case managers in the public sector" has been deleted and replaced with "...improve coordination of services, decrease duplication of services,"...
- (6) Language was added to page 2, paragraph 2 to read "and the resulting social and economic costs of family disruption; and".
- (7) The purpose of this resolution has been amended to request the Kapiolani Medical Center for Women and Children to establish a task force to conduct a comprehensive review of the needs of and service available to children who are medically fragile/technology dependent and their families.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 331, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 331, H.D. 1.

Signed by all members of the Committees except Representatives Amaral, M. Ige and Peters.

SCRep. 1317-92 Health and Human Services on H.C.R. No. 325

The purpose of this concurrent resolution as received is to request the Department of Health to establish a task force to conduct an assessment of the needs of the medically fragile/technology dependent and to review the service delivery system. The concurrent resolution delineates a comprehensive review of the needs and services available to medically fragile/technology dependent children and their families.

Your Committees received testimony in support of the concurrent resolution from the Department of Human Services, State Planning Council on Developmental Disabilities, Kapiolani Medical Center for Women and Children, and Personnel Pool of Hawaii, Inc.

Your Committees have adopted the recommendations submitted by the State Planning Council on Developmental Disabilities and Kapiolani Medical Center for Women and Children and have amended the concurrent resolution as follows:

- (1) The Kapiolani Medical Center for Women and Children has replaced the Department of Health in the leadership role.
- (2) The Task Force, to be established by the Kapiolani Medical Center for Women and Children, shall conduct the review of the needs and services available to children who are medically fragile/technology dependent and their families.
- (3) Task Force review and recommendations are not to be limited to that which is enumerated in this concurrent resolution.
- (4) Language on page 2, number 2, referring to "the study and follow up recommendations;" has been deleted and replaced with "programs and services provided to children who are medically fragile/technology dependent."
- (5) Language on page 2, number 3, "reduce the number of professionally trained case managers in the public sector" has been deleted and replaced with "...improve coordination of services, decrease duplication of services,"...
- (6) Language was added to page 2, paragraph 2 to read "and the resulting social and economic costs of family disruption; and".
- (7) The purpose of this concurrent resolution has been amended to request the Kapiolani Medical Center for Women and Children to establish a task force to conduct a comprehensive review of the needs of and service available to children who are medically fragile/technology dependent and their families.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 325, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 325, H.D. 1.

Signed by all members of the Committees except Representatives Amaral, M. Ige and Peters.

SCRep. 1318-92 Health and Human Services on H.R. No. 434

The purpose of this resolution, as received, is to request the Legislative Auditor to assess various aspects of the coordination of mental health services for emotionally handicapped children and adolescents in Hawaii's public schools by the Department of Health and the Department of Education per their memorandum of agreement.

Representatives of the Department of Health, the Mental Health Association in Hawaii, the State Advisory Council on Mental Health and Substance Abuse, Hawaii Advocates for Children and Youth, and the Hawaii Public Health Association and one individual testified in support of this resolution. A representative of the Department of Education, on the other hand, testified that the requested study is unnecessary, that the interagency memorandum of agreement has served well, and that problems in effecting its full implementation are due to a lack of funding for required services.

Your Committees have amended this resolution by:

- (1) Deleting the request for a study of other states' systems for the delivery of mental health services to emotionally handicapped public school students because the Mental Health Association already is conducting that study; and
- (2) Revising this resolution to request the Legislative Auditor to study and advise the Legislature regarding the following aspects of the provision of mental health services to emotionally handicapped children and adolescents in Hawaii's public schools:

- (A) Effectiveness of the memorandum of agreement in facilitating coordination of the delivery of mental health services in Hawaii's public schools and the degree of compliance with that memorandum;
- (B) Compliance of the Department of Health and the Department of Education with federal and State laws;
- (C) The Departments of Education and Health's effectiveness in utilizing available federal funding;
- (D) Recommendations for legislative action to improve coordination and cooperation between the Departments of Health and Education.
- (E) Possible improvements in the organizational structure within which services are delivered, and
- (F) Enhancement of the advisory role of the State Advisory Council on Mental Health and Substance Abuse.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 434, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 434, H.D. 1.

Signed by all members of the Committees except Representative Tom.

SCRep. 1319-92 Health and Human Services on H.C.R. No. 433

The purpose of this concurrent resolution, as received, is to request the Legislative Auditor to assess various aspects of the coordination of mental health services for emotionally handicapped children and adolescents in Hawaii's public schools by the Department of Health and the Department of Education per their memorandum of agreement.

Representatives of the Department of Health, the Mental Health Association in Hawaii, the State Advisory Council on Mental Health and Substance Abuse, Hawaii Advocates for Children and Youth, and the Hawaii Public Health Association and one individual testified in support of this concurrent resolution. A representative of the Department of Education, on the other hand, testified that the requested study is unnecessary, that the interagency memorandum of agreement has served well, and that problems in effecting its full implementation are due to a lack of funding for required services.

Your Committees have amended this concurrent resolution by:

- (1) Deleting the request for a study of other states' systems for the delivery of mental health services to emotionally handicapped public school students because the Mental Health Association already is conducting that study; and
- (2) Revising this concurrent resolution to request the Legislative Auditor to study and advise the Legislature regarding the following aspects of the provision of mental health services to emotionally handicapped children and adolescents in Hawaii's public schools:
 - (A) Effectiveness of the memorandum of agreement in facilitating coordination of the delivery of mental health services in Hawaii's public schools and the degree of compliance with that memorandum;
 - (B) Compliance of the Department of Health and the Department of Education with federal and State laws;
 - (C) The Departments of Education and Health's effectiveness in utilizing available federal funding;
 - (D) Recommendations for legislative action to improve coordination and cooperation between the Departments of Health and Education.
 - (E) Possible improvements in the organizational structure within which services are delivered, and
 - (F) Enhancement of the advisory role of the State Advisory Council on Mental Health and Substance Abuse.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 433, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 433, H.D. 1.

Signed by all members of the Committees except Representative Tom.

SCRep. 1320-92 Transportation and Education on H.R. No. 251

The purpose of this resolution is to request the formation of a task force to encourage the development of a private school bus system.

Your Committees find that the vast majority of private school students do not live within close proximity of their respective schools and must therefore drive or be driven daily to and from school, which contributes to the traffic congestion problems on the major highways and arterials of the State. Your Committees also find that the State Constitution prohibits the appropriation of funds for the development and operation of a school bus system for private school students. Your Committees further find that the development and operation of a school bus system for private school students would complement and enhance the prospects of success for current proposals to ease peak hour traffic congestion on Oahu.

Testimony was received from the Department of Transportation, the Department of Education, the Hawaii Association of Independent Schools, the Roman Catholic Diocese of Honolulu, Save Money and Ride Together (SMART), and the Hawaii Transportation Association.

Your Committees have amended this resolution to narrow the scope of the study to the island of Oahu. The title of this resolution has also been amended to encourage the development of a private school bus program. A non-substantive amendment was made to correct a technical drafting error.

Your Committees on Transportation and Education concur with the intent and purpose of H.R. No. 251, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 251, H.D. 1.

Signed by all members of the Committees.

SCRep. 1321-92 Transportation and Education on H.C.R. No. 243

The purpose of this concurrent resolution is to request the formation of a task force to encourage the development of a private school bus system.

Your Committees find that the vast majority of private school students do not live within close proximity of their respective schools and must therefore drive or be driven daily to and from school, which contributes to the traffic congestion problems on the major highways and arterials of the State. Your Committees also find that the State Constitution prohibits the appropriation of funds for the development and operation of a school bus system for private school students. Your Committees further find that the development and operation of a school bus system for private school students would complement and enhance the prospects of success for current proposals to ease peak hour traffic congestion on Oahu.

Testimony was received from the Department of Transportation, the Department of Education, the Hawaii Association of Independent Schools, the Roman Catholic Diocese of Honolulu, Save Money and Ride Together (SMART), and the Hawaii Transportation Association.

Your Committees have amended this concurrent resolution to narrow the scope of the study to the island of Oahu. The title of this concurrent resolution has also been amended to encourage the development of a private school bus program. A non-substantive amendment was made to correct a technical drafting error.

Your Committees on Transportation and Education concur with the intent and purpose of H.C.R. No. 243, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 243, H.D. 1.

Signed by all members of the Committees.

SCRep. 1322-92 Transportation and Planning and Economic Development on H.R. No. 116

The purpose of this resolution is to request various agencies to formulate an action plan designed to improve existing and future traffic flow in the Leeward and Central Oahu regions.

Your Committees find that the population in the Ewa and Central Oahu regions continue to grow and that, by the year 2010, this region is expected to hold approximately 30% of the island's population.

Your Committees also find that this continual growth in the Leeward and Central Oahu regions and the resultant increase in the number and use of motor vehicles travelling to, from, and within these regions generate transportation and mobility problems as well as serious health and environmental concerns for which viable alternatives and solutions must be found and implemented.

Testimony was received from the Department of Transportation, the Office of State Planning, the Oahu Metropolitan Planning Organization (OMPO), the Leeward Oahu Transportation Management Association (LOTMA), Busplus, the Honolulu Police Department, and the Hawaii Transportation Association (HTA).

Upon further consideration, your Committees have amended this resolution by deleting the substantive contents of the resolution and by inserting therein the substance of Senate Concurrent Resolution 20, S.D. 1. Similarly, Senate Concurrent Resolution 20, S.D. 1, requests a study on methods of improving traffic flow in the Leeward and Central Oahu regions. However, this version deletes references to particular traffic mitigation programs to be considered for implementation.

Your Committees have also amended this resolution by including the Honolulu Police Department as an agency involved in formulating the action plan and by providing that a certified copy of this resolution be transmitted to the Chief of the Honolulu Police Department.

Your Committees on Transportation and Planning and Economic Development concur with the intent and purpose of H.R. No. 116, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 116, H.D. 1.

Signed by all members of the Committees.

SCRep. 1323-92 Transportation and Planning and Economic Development on S.C.R. No. 20

The purpose of this concurrent resolution is to request various agencies to formulate an action plan designed to improve existing and future traffic flow in the Leeward and Central Oahu regions.

Your Committees find that the population in the Ewa and Central Oahu regions continue to grow and that, by the year 2010, this region is expected to hold approximately 30% of the island's population.

Your Committees also find that this continual growth in the Leeward and Central Oahu regions and the resultant increase in the number and use of motor vehicles travelling to, from, and within these regions generate transportation and mobility problems as well as serious health and environmental concerns for which viable alternatives and solutions must be found and implemented.

Testimony was received from the Department of Transportation, the Office of State Planning, the Honolulu Police Department, and the Leeward Oahu Transportation Management Association (LOTMA).

Upon further consideration, your Committees have amended this concurrent resolution by including the Honolulu Police Department as an agency involved in formulating the action plan and by providing that a certified copy of this concurrent resolution be transmitted to the Chief of the Honolulu Police Department.

Your Committees on Transportation and Planning and Economic Development concur with the intent and purpose of S.C.R. No. 20, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 20, S.D. 1, H.D. 1.

Signed by all members of the Committees.

SCRep. 1324-92 Health on H.R. No. 185

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study to examine the current and future needs of quadriplegics in the State of Hawaii, including, inter alia:

- (1) How those needs are being met; and
- (2) Whether a center or an independent living project for quadriplegics should be established.

Testimony in support of this resolution was submitted by a quadriplegic and a concerned citizen. The testimony indicated that for a quadriplegic, even after the denial and grieving phases have passed, the physical challenges of daily living continue. Confronted with these challenges, all quadriplegics have certain basic needs in common, including the need for accessible and affordable housing, and support services such as personal care services. These needs must be taken care of before independence can be attained through work and other activities.

The Commission on Persons with Disabilities also submitted testimony.

Your Committee understands that quadriplegics require special services to help them with daily living. Moreover, given the nature of a quadriplegic's disability, coordination of and access to these services is critical.

Your Committee on Health concurs with the intent and purpose of H.R. No. 185 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1325-92 Health on H.C.R. No. 173

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study to examine the current and future needs of quadriplegics in the State of Hawaii, including, inter alia:

- (1) How those needs are being met; and
- (2) Whether a center or an independent living project for quadriplegics should be established.

Testimony in support of this concurrent resolution was submitted by a quadriplegic and a concerned citizen. The testimony indicated that for a quadriplegic, even after the denial and grieving phases have passed, the physical challenges of daily living continue. Confronted with these challenges, all quadriplegics have certain basic needs in common, including the need for accessible and affordable housing, and support services such as personal care services. These needs must be taken care of before independence can be attained through work and other activities.

The Commission on Persons with Disabilities also submitted testimony.

Your Committee understands that quadriplegics require special services to help them with daily living. Moreover, given the nature of a quadriplegic's disability, coordination of and access to these services is critical.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 173 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1326-92 Health on H.R. No. 335

The purpose of this resolution is to request the Legislative Auditor to conduct a study on the current contract policies and administrative processes of the Department of Health regarding the provision of services to persons with developmental disabilities.

Your Committee received testimony in support of the resolution from the Department of Health and the State Planning Council on Developmental Disabilities.

Your Committee has adopted the recommendations submitted by the State Planning Council on Developmental Disabilities and has amended the resolution as follows:

- (1) The definition of unit cost shall be determined in the study.
- (2) The phrase on page 2, "The method for appropriate unit cost;", has been amended to read, "The method for calculating appropriate unit cost;".

Your Committee on Health concurs with the intent and purpose of H.R. No. 335, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 335, H.D. 1.

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

SCRep. 1327-92 Health on H.C.R. No. 333

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study on the current contract policies and administrative processes of the Department of Health regarding the provision of services to persons with developmental disabilities.

Your Committee received testimony in support of the concurrent resolution from the Department of Health and the State Planning Council on Developmental Disabilities.

Your Committee has adopted the recommendations submitted by the State Planning Council on Developmental Disabilities and has amended the concurrent resolution as follows:

- (1) The definition of unit cost shall be determined in the study.
- (2) The phrase on page 2, "The method for appropriate unit cost;", has been amended to read, "The method for calculating appropriate unit cost;".

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 333, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 333, H.D. 1.

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

SCRep. 1328-92 Education on H.C.R. No. 225

The purpose of this concurrent resolution is to request the Legislative Auditor to do an evaluation of processes and procedures used by the Department of Accounting and General Services (DAGS) in the repair, maintenance, and alteration projects for the public schools and libraries, and to evaluate the effectiveness of the roving repair and maintenance crews.

Testimony from the Department of Education and the Hawaii State Teachers' Association supported the intent of this concurrent resolution. Other testimony from DAGS stated that it did not have any objections to the Legislative Auditor reviewing the processes and procedures used by DAGS in their projects. Testimony from the United Parents for Education Coalition (UP-ED) also supported this concurrent resolution.

Your Committee on Education is in accord with the intent and purpose of H.C.R. No. 225 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1329-92 Education on H.R. No. 243

The purpose of this resolution is to request that the Legislative Reference Bureau (LRB) propose a means for transferring administration of the educational specifications from the Department of Budget and Finance (B & F) to the Department of Education (DOE).

Testimony in support of the intent of this resolution was received from the DOE. Your Committee also received supporting testimony from HSTA and the United Parents for Education Coalition (UP-ED).

Your Committee on Education is in accord with the intent and purpose of H.R. No. 243 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1330-92 Education on H.C.R. No. 235

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau (LRB) propose a means for transferring administration of the educational specifications from the Department of Budget and Finance (B & F) to the Department of Education (DOE).

Testimony in support of the intent of this concurrent resolution was received from the DOE. Your Committee also received supporting testimony from HSTA and the United Parents for Education Coalition (UP-ED).

Your Committee on Education is in accord with the intent and purpose of H.C.R. No. 235 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1331-92 Housing on H.R. No. 338

The purpose of this resolution is to request the Legislative Reference Bureau, working in conjunction with the Department of Health, the Department of Human Services, and the County Mayors to identify, address, and resolve administrative concerns and inequities which have arisen regarding rentals for three or more unrelated persons.

Testimony was submitted by the State Department of Health and the Honolulu Board of Realtors.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 338 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Peters.

SCRep. 1332-92 Housing on H.C.R. No. 337

The purpose of this concurrent resolution is to request the Legislative Reference Bureau, working in conjunction with the Department of Health, the Department of Human Services, and the County Mayors to identify, address, and resolve administrative concerns and inequities which have arisen regarding rentals for three or more unrelated persons.

Testimony was submitted by the State Department of Health and the Honolulu Board of Realtors.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 337 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Peters.

SCRep. 1333-92 Housing on H.R. No. 173

The purpose of this resolution is to request the Housing Finance and Development Corporation to conduct a study on the feasibility of establishing a Housing Physical Resources Development Group and Fund for planning of infrastructure resources in a manner which expedites the housing development planning process.

Testimony was submitted by the Housing Finance and Development Corporation and the Hawaii Developers' Council.

Upon careful consideration, your Committee has amended this resolution by:

- (1) Requesting the counties, the Office of State Planning, the State's Departments of Transportation and Health to assist the Housing Finance and Development Corporation in preparing the study;
- (2) Changing the term "long been" to "been more" to clarify the reason of this resolution;
- (3) Clarifying that the Committee on Housing of the House of Representatives is to coordinate the feasibility study; and
- (4) Making technical, substantive revisions for the purposes of clarify and style.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 173, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 173, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1334-92 Housing on H.C.R. No. 163

The purpose of this concurrent resolution is to request the Housing Finance and Development Corporation to conduct a study on the feasibility of establishing a Housing Physical Resources Development Group and Fund for planning of infrastructure resources in a manner which expedites the housing development planning process.

Testimony was submitted by the Housing Finance and Development Corporation and the Hawaii Developers' Council.

Upon careful consideration, your Committee has amended this concurrent resolution by:

- (1) Requesting the counties, the Office of State Planning, the State's Departments of Transportation and Health to assist the Housing Finance and Development Corporation in preparing the study;
- (2) Changing the term "long been apparent" to "been more apparent" to clarify the reason of this concurrent resolution;
- (3) Clarifying that the Committee on Housing of the House of Representatives and Committee on Housing and Hawaiian Programs of the State Senate are to coordinate the feasibility study; and
- (4) Making technical, substantive revisions for the purposes of clarify and style.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 163, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 163, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1335-92 Housing on H.R. No. 391

The purpose of this resolution is to request that the Housing Finance and Development Corporation study the feasibility of having the State:

- (1) Acquire the Tropicana West Apartment Complex from Mayer and the Robinson Entities;
- (2) Acquire the fee interest in the land underlying the Tropicana West from the Robinson Entities; and
- (3) Explore other possibilities to ensure that Tropicana West continues to provide rental housing for lower-income and Section 8 tenants.

Testimony in support of this resolution was submitted by the Housing Finance and Development Corporation.

Upon careful consideration, your Committee has amended this resolution by:

- (1) Requesting that owners to consider other options, including, but not limited to, the Mutual Housing Association; and
- (2) Exploring the possibilities of the issuance of general obligation or revenue bonds for negotiation and purchasing; and
- (3) Making technical, non-substantive revision for the purposes of clarity and style.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 391, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 391, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1336-92 Housing on H.C.R. No. 390

The purpose of this concurrent resolution is to request that the Housing Finance and Development Corporation study the feasibility of having the State:

- (1) Acquire the Tropicana West Apartment Complex from Mayer and the Robinson Entities;
- (2) Acquire the fee interest in the land underlying the Tropicana West from the Robinson Entities; and
- (3) Explore other possibilities to ensure that Tropicana West continues to provide rental housing for lower-income and Section 8 tenants.

Testimony in support of this concurrent resolution was submitted by the Housing Finance and Development Corporation.

Upon careful consideration, your Committee has amended this concurrent resolution by:

- (1) Requesting that owners to consider other options, including, but not limited to, the Mutual Housing Association; and
- (2) Exploring the possibilities of the issuance of general obligation or revenue bonds for negotiation and purchasing; and
- (3) Making technical, non-substantive revisions for the purposes of clarity and style.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 390, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 390, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1337-92 Housing on H.R. No. 400

The purpose of this resolution is for the Legislature to declare a general housing crisis and state of emergency for the homeless and renters in Hawaii.

Your Committee finds that in recent years the prospects of finding affordable housing in Hawaii have grown increasingly difficult. Many potential home owners are unable to save money for a house because they must pay a significant portion of their income on rent. Those in the moderate to low-income level find it is difficult to just pay the rent, and fear becoming homeless. Your Committee finds that by declaring a general housing crisis and state of emergency for the homeless and renters in Hawaii would be a great stride in addressing and resolving the State's housing problems.

Your Committee received favorable testimony from Waikiki Tenants United, Honolulu Community Action Program, Inc., Catholic Charities, United Church of Christ, and concerned citizens. No testimony was received in opposition of this measure.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 400 and recommends its adoption.

Signed by all members of the Committee except Representative Peters.

SCRep. 1338-92 Housing on H.C.R. No. 399

The purpose of this concurrent resolution is for the Legislature to declare a general housing crisis and state of emergency for the homeless and renters in Hawaii.

Your Committee finds that in recent years the prospects of finding affordable housing in Hawaii have grown increasingly difficult. Many potential home owners are unable to save money for a house because they must pay a significant portion of their income on rent. Those in the moderate to low-income level find it is difficult to just pay the rent, and fear becoming homeless. Your Committee finds that by declaring a general housing crisis and state of emergency for the homeless and renters in Hawaii would be a great stride in addressing and resolving the State's housing problems.

Your Committee received favorable testimony from Waikiki Tenants United, Honolulu Community Action Program, Inc., Catholic Charities, United Church of Christ, and concerned citizens. No testimony was received in opposition of this measure.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 400 and recommends its adoption.

Signed by all members of the Committee except Representative Peters.

SCRep. 1339-92 Housing and Intergovernmental Relations and International Affairs on H.R. No. 174

The purpose of this resolution is to request the members of Hawaii's delegation to the United States Congress to call upon the federal government to take the responsibility for providing funds for the construction and maintenance of low to moderate income housing in the State.

The Committees finds despite the progress made by the states with respect to the development of new ideas and programs, many states simply lack the financial resources necessary to develop the housing necessary to meet the demand of the local residents.

Testimony in support of the resolution was submitted by the Housing Finance and Development Corporation and Hawaii Housing Authority.

Upon careful consideration, your Committees have amended this resolution by:

- (1) Replacing the members of the Hawaii's delegation to the United States Congress with the President of the United States of America and the Secretary of the Department of Housing and Urban Development; and

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

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 174, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 174, H.D. 1.

Signed by all members of the Committees except Representative Peters.

SCRep. 1340-92 Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 164

The purpose of this concurrent resolution is to request the members of Hawaii's delegation to the United States Congress to call upon the federal government to take the responsibility for providing funds for the construction and maintenance of low to moderate income housing in the State.

The Committees finds despite the progress made by the states with respect to the development of new ideas and programs, many states simply lack the financial resources necessary to develop the housing necessary to meet the demand of the local residents.

Testimony in support of the concurrent resolution was submitted by the Housing Finance and Development Corporation and Hawaii Housing Authority.

Upon careful consideration, your Committees have amended this concurrent resolution by:

- (1) Replacing the members of the Hawaii's delegation to the United States Congress with the President of the United States of America and the Secretary of the Department of Housing and Urban Development; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 164, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 164, H.D. 1.

Signed by all members of the Committees except Representative Peters.

SCRep. 1341-92 Consumer Protection and Commerce on H.R. No. 401

The purpose of this resolution is to propose that the Hawaii Real Estate Research and Education Center study the feasibility of enacting a mandatory seller disclosure law.

Testimony in support of the resolution was submitted by the Hawaii Real Estate Research and Education Center, the Government Affairs Committee of Hawaii Association of Realtors, and the Hawaii Real Estate Commission.

Your Committee finds that disclosure of material facts has been, and continues to be, one of the most important issues in real estate transactions due to the increasing complexity of real estate transactions, precedent-setting court cases, well-informed consumers, and the increasing number of items that are considered material facts. Although the real estate licensee has a duty to ascertain and disclose all material facts concerning every property for which the licensee accepts agency, the seller is often better informed about material facts concerning the property.

Approximately twenty states are considering mandatory written disclosures such as those considered by this resolution; California and Maine have already passed such legislation.

Your Committee amended the resolution by adding the following:

- (1) Requesting research regarding the liability of the seller if such legislation is passed; and
- (2) Requiring a recommendation regarding whether any mandated disclosure should be incorporated into a binding contract.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.R. No. 401, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 401, H.D. 1.

Signed by all members of the Committee.

SCRep. 1342-92 Consumer Protection and Commerce on H.C.R. No. 400

The purpose of this concurrent resolution is to propose that the Hawaii Real Estate Research and Education Center study the feasibility of enacting a mandatory seller disclosure law.

Testimony in support of the concurrent resolution was submitted by the Hawaii Real Estate Research and Education Center, the Government Affairs Committee of Hawaii Association of Realtors, and the Hawaii Real Estate Commission.

Your Committee finds that disclosure of material facts has been, and continues to be, one of the most important issues in real estate transactions due to the increasing complexity of real estate transactions, precedent-setting court cases, well-informed consumers, and the increasing number of items that are considered material facts. Although the real estate licensee has a duty to ascertain and disclose all material facts concerning every property for which the licensee accepts agency, the seller is often better informed about material facts concerning the property.

Approximately twenty states are considering mandatory written disclosures such as those considered by this concurrent resolution; California and Maine have already passed such legislation.

Your Committee amended the concurrent resolution by adding the following:

- (1) Requesting research regarding the liability of the seller if such legislation is passed; and
- (2) Requiring a recommendation regarding whether any mandated disclosure should be incorporated into a binding contract.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.C.R. No. 400, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 400, H.D. 1.

Signed by all members of the Committee.

SCRep. 1343-92 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on H.R. No. 20

The purpose of this resolution is to urge the United States Congress to enact appropriate legislation to:

- (1) Increase competition within the cable television industry;
- (2) Enhance the development of newer technologies within the cable television industry; and
- (3) Modernize the telecommunications infrastructure within the United States.

Testimony was submitted by the Department of Commerce and Consumer Affairs (DCCA), GTE Hawaiian Tel, the Hawaii Cable Television Association, and a concerned citizen.

Your Committees find that a lack of competition within Hawaii's cable television industry may potentially threaten the welfare of the consuming public. Although the representative from DCCA pointed out that the entry of telephone monopolies into the cable television industry may create telecommunications monoliths similar to the former ATT monopoly and eliminate the development of new technologies that may be competitive with both the telephone and cable television industries, your Committees believe that the implementation of newer technologies into Hawaii's cable television industry (such as fiber optics systems already in use by the telephone industry) may, in fact, increase competition within Hawaii's cable industry and ultimately reduce consumer rates as well as enhance the provision of service to cable television subscribers. In light of this, your Committees believe that the provisions of this measure will ultimately protect the consuming public from the monopolization of Hawaii's cable television industry.

While your Committees are in accord with the intent of this resolution, your Committees note that:

- (1) The enactment of the Federal Cable Act of 1984 (Cable Act) has seriously limited the ability of State and local governments from regulating the cable television industry;
- (2) Since the enactment of the Cable Act, subscription rates for cable television have increased by as much as ninety-nine percent in Hawaii;
- (3) Although the intent of the Cable Act was to promote competition within the cable television industry, the realities of cost, limited technological resources, and the presumption of renewal have created natural monopolies for existing cable television systems in Hawaii; and
- (4) In recent years, the Hawaii State Legislature has urged Congress to re-establish State and local rate regulatory powers in the cable television industry to reduce the negative impacts of monopolies within the industry.

Accordingly, your Committees have amended this resolution by:

- (1) Revising the title "HOUSE RESOLUTION URGING CONGRESS TO OPEN THE CABLE INDUSTRY TO MORE COMPETITION IN THE MARKETPLACE," to read: "HOUSE RESOLUTION URGING CONGRESS TO OPEN THE CABLE TELEVISION INDUSTRY TO MORE COMPETITION IN THE MARKETPLACE AND RESTORE CABLE TELEVISION RATE REGULATION TO STATE AND LOCAL GOVERNMENTS";
- (2) Inserting language reiterating the rationale for re-establishing rate regulatory powers for the cable television industry with State and local governments; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Consumer Protection and Commerce and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 20, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 20, H.D. 1.

Signed by all members of the Committees.

SCRep. 1344-92 Consumer Protection and Commerce and Intergovernmental Relations and International Affairs on H.C.R. No. 18

The purpose of this concurrent resolution is to urge the United States Congress to enact appropriate legislation to:

- (1) Increase competition within the cable television industry;
- (2) Enhance the development of newer technologies within the cable television industry; and
- (3) Modernize the telecommunications infrastructure within the United States.

Testimony was submitted by the Department of Commerce and Consumer Affairs (DCCA), GTE Hawaiian Tel, the Hawaii Cable Television Association, and a concerned citizen.

Your Committees find that a lack of competition within Hawaii's cable television industry may potentially threaten the welfare of the consuming public. Although the representative from DCCA pointed out that the entry of telephone monopolies into the cable television industry may create telecommunications monoliths similar to the former ATT monopoly and eliminate the development of new technologies that may be competitive with both the telephone and cable television industries, your Committees believe that the implementation of newer technologies into Hawaii's cable television industry (such as fiber optics systems already in use by the telephone industry) may, in fact, increase competition within Hawaii's cable industry and ultimately reduce consumer rates as well as enhance the provision of service to cable television subscribers. In light of this, your Committees believe that the provisions of this measure will ultimately protect the consuming public from the monopolization of Hawaii's cable television industry.

While your Committees are in accord with the intent of this concurrent resolution, your Committees note that:

- (1) The enactment of the Federal Cable Act of 1984 (Cable Act) has seriously limited the ability of State and local governments from regulating the cable television industry;
- (2) Since the enactment of the Cable Act, subscription rates for cable television have increased by as much as ninety-nine percent in Hawaii;
- (3) Although the intent of the Cable Act was to promote competition within the cable television industry, the realities of cost, limited technological resources, and the presumption of renewal have created natural monopolies for existing cable television systems in Hawaii; and
- (4) In recent years, the Hawaii State Legislature has urged Congress to re-establish State and local rate regulatory powers in the cable television industry to reduce the negative impacts of monopolies within the industry.

Accordingly, your Committees have amended this concurrent resolution by:

- (1) Revising the title "HOUSE CONCURRENT RESOLUTION URGING CONGRESS TO OPEN THE CABLE INDUSTRY TO MORE COMPETITION IN THE MARKETPLACE," to read: "HOUSE CONCURRENT RESOLUTION URGING CONGRESS TO OPEN THE CABLE TELEVISION INDUSTRY TO MORE COMPETITION IN THE MARKETPLACE AND RESTORE CABLE TELEVISION RATE REGULATION TO STATE AND LOCAL GOVERNMENTS";
- (2) Inserting language reiterating the rationale for re-establishing rate regulatory powers for the cable television industry with State and local governments; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Consumer Protection and Commerce and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 18, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 18, H.D. 1.

Signed by all members of the Committees.

SCRep. 1345-92 Human Services on H.C.R. No. 42

The purpose of this concurrent resolution is to request the State Auditor to conduct a management and financial audit of the Medicaid program.

The Medicaid program is projecting a budget shortfall of \$132 million for the 1991-1993 fiscal biennium and will seek an emergency general fund appropriation from the Legislature in this amount.

The Medicaid program's budget planning and financial management methods have not clearly identified the causes of the sudden increases in Medicaid claims and expenditures that have led to this budget shortfall.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 42 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Peters.

SCRep. 1346-92 Human Services on H.R. No. 374

The purpose of this resolution is to request the Legislative Reference Bureau to study the most appropriate structure, placement, and funding mechanism for the establishment of a children's trust fund for the prevention of child abuse and neglect in the State of Hawaii.

Your Committee has amended the resolution to:

1. Refer to the Department of Labor and Industrial Relations instead of the Department of Land and Natural Resources on page 5, item 6; and
2. To broaden the middle "be it resolved" paragraph on page 4 to include any and all organizations that deal with child abuse.

Your Committee feels that this should not discourage funding in other sources dealing with this issue.

Your Committee on Human Services is in accord with the intent and purpose of H.R. No. 374, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 374, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1347-92 Human Services on H.C.R. No. 373

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the most appropriate structure, placement, and funding mechanism for the establishment of a children's trust fund for the prevention of child abuse and neglect in the State of Hawaii.

Your Committee has amended the concurrent resolution to:

1. Refer to the Department of Labor and Industrial Relations instead of the Department of Land and Natural Resources on page 5, item 6; and
2. To broaden the middle "be it resolved" paragraph on page 4 to include any and all organizations that deal with child abuse.

Your Committee feels that this should not discourage funding in other sources dealing with this issue.

Your Committee on Human Services is in accord with the intent and purpose of H.C.R. No. 373, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 373, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1348-92 Human Services on H.R. No. 152

The purpose of this resolution is to recognize the year 1992 as the "Year Of The Family" in Hawaii.

Your Committee feels that the family unit is the nucleus of society, holding together the institutions--the home, the school, the church, business, and all facets of society--which makes a nation great, proud, and strong.

Strengthening and preserving this bedrock of society--the family--is vital to the development and maturation of society as a whole.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 152 and recommends its adoption.

Signed by all members of the Committee except Representative Peters.

SCRep. 1349-92 Human Services on H.C.R. No. 141

The purpose of this concurrent resolution is to recognize the year 1992 as the "Year Of The Family" in Hawaii.

Your Committee feels that the family unit is the nucleus of society, holding together the institutions--the home, the school, the church, business, and all facets of society--which makes a nation great, proud, and strong.

Strengthening and preserving this bedrock of society--the family--is vital to the development and maturation of society as a whole.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 141 and recommends its adoption.

Signed by all members of the Committee except Representative Peters.

SCRep. 1350-92 Housing on H.R. No. 346

The purpose of this resolution is to request the Housing Finance and Development Corporation to develop a proposal for a direct loan program to assist both single-family and multi-family lessees, whose income levels would not qualify them for conventional financing in the acquisition of the fee title to leasehold condominium properties.

Testimony was submitted by the Housing Finance and Development Corporation and Kamehameha Schools/Bernice Pauahi Bishop Estate.

Upon careful consideration, your Committee has amended this resolution by:

- (1) Inserting to the proposal of the loan to also include assisting residential cooperatives;
- (2) Changing the reference of "leasehold condominium properties" to "leasehold properties" for the purpose of providing for any and all leasehold properties;
- (3) Changing the reference "Regular Session of 1992" to "Regular Session of 1993" for the purpose of technical clarity; and
- (4) Making technical, non-substantive revisions for the purposes of style and clarity.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 346, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.R. No. 346, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1351-92 Housing on H.C.R. No. 346

The purpose of this concurrent resolution is to request the Housing Finance and Development Corporation to develop a proposal for a direct loan program to assist both single-family and multi-family lessees, whose income levels would not qualify them for conventional financing in the acquisition of the fee title to leasehold condominium properties.

Testimony was submitted by the Housing Finance and Development Corporation and Kamehameha Schools/Bernice Pauahi Bishop Estate.

Upon careful consideration, your Committee has amended this concurrent resolution by:

- (1) Inserting to the proposal of the loan to also include assisting residential cooperatives;
- (2) Changing the reference of "leasehold condominium properties" to "leasehold properties" for the purpose of providing for any and all leasehold properties; and
- (3) Changing the reference "Regular Session of 1992" to "Regular Session of 1993" for the purpose of technical clarity; and
- (4) Making technical, non-substantive revisions for the purposes of style and clarity.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 346, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 346, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1352-92 Housing on H.R. No. 322

The purpose of this resolution is to request the Housing Finance and Development Corporation to establish housing and development priorities that:

- (1) Address the economic limitations of Hawaii's low- and moderate-income families;
- (2) Make the best use of community resources and public funds;

- (3) Emphasize the development, promotion, and utilization of cost-sensitive housing designs; and
- (4) Develop strategies to make lots available for sale at market prices to individuals and private sector developers for the development of detached single-family homes in communities where these homes are a necessary component of large community development efforts.

Testimony was submitted by the Housing Finance and Development Corporation, the Hawaii Developers' Council and a concerned citizen.

Upon careful consideration, your Committee has amended this resolution by:

- (1) Acknowledging the efforts of the Housing Finance and Development Corporation in developing more multi-family, pedestrian-friendly developments;
- (2) Deleting the reference referring to the development of strategies to make lots available for sale at market prices to individuals and private sector developers for the development of detached single-family homes in communities where these homes are a necessary component of large community development efforts; and
- (3) Making technical, non-substantive revision for the purposes of clarity and style.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 322, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 322, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1353-92 Housing on H.C.R. No. 318

The purpose of this concurrent resolution is to request the Housing Finance and Development Corporation to establish housing and development priorities that:

- (1) Address the economic limitations of Hawaii's low- and moderate-income families;
- (2) Make the best use of community resources and public funds;
- (3) Emphasize the development, promotion, and utilization of cost-sensitive housing designs; and
- (4) Develop strategies to make lots available for sale at market prices to individuals and private sector developers for the development of detached single-family homes in communities where these homes are a necessary component of large community development efforts.

Testimony was submitted by the Housing Finance and Development Corporation, the Hawaii Developers' Council and a concerned citizen.

Upon careful consideration, your Committee has amended this concurrent resolution by:

- (1) Acknowledging the efforts of the Housing Finance and Development Corporation in developing more multi-family, pedestrian-friendly developments;
- (2) Deleting the reference referring to the development of strategies to make lots available for sale at market prices to individuals and private sector developers for the development of detached single-family homes in communities where these homes are a necessary component of large community development efforts; and
- (3) Making technical, non-substantive revision for the purposes of clarity and style.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 318, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 318, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 1354-92 Higher Education and the Arts on H.R. No. 131

The purpose of this resolution is to request the community college system of the University of Hawaii to study the feasibility of establishing a legislative internship program.

The community colleges testified in support of this measure stating that there are some students who have worked as an intern at the Legislature for school credit, but these internships have been accomplished through personal contacts of the University faculty. A formal program would provide more students with this unique opportunity of learning about the legislative process with a "hands-on" experience.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 131 and recommends its adoption.

Signed by all members of the Committee.